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THE
NORDIC COUNCIL
AND
CO-OPERATION
IN
SCANDINAVIA

by Frantz Wendt

The Nordic Council
and
Co-operation in Scandinavia

WITH THE COMPLIMENTS
OF THE
ROYAL DANISH  CONSULATE^{NY}

The Nordic Council
and
Co-operation in Scandinavia

By
Frantz Wendt
—

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The author who was born in 1905 is a graduate of the University of Copenhagen and studied at the Sorbonne and at Harvard University. He was Assistant Professor of History and Civics at the University of Copenhagen 1935-43, Executive Director of the Danish Division of the Norden Association 1943-53 and since 1952 has been Secretary General to the Danish Delegation of the Nordic Council.

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CHAPTER I

BACKGROUND AND HISTORY OF SCANDINAVIAN CO-OPERATION

A COMMON CULTURAL BASIS FOR NATIONAL STATES"

Scandinavia is the customary English designation for the five countries situated in Europe's north-west corner. Long before the beginning of history Denmark, Norway, and Sweden were inhabited by the Nordic-Germanic race which still lives there. The Faroe Islands and Iceland in the North Atlantic Ocean were populated by Norwegian emigrants just before 900 A. D., during the period of the great viking expansion. A hundred years later Icelanders founded settlements on the south-west coast of Greenland. For a long time, the Norsemen in Greenland and Iceland lived in semi-independent, self-governing free states, but in 1261 and 1262, respectively, they submitted to the King of Norway and, like the Faroe Islands, were gradually integrated in the Norwegian kingdom.

Some time after the birth of Christ, people of an entirely different origin and with a completely dissimilar language, the Finns, began to move north from the Baltic countries across the Gulf of Finland and gradually populated present-day Finland from the south and south-west. They soon came under the cultural influence of the Swedes on the other side of the Baltic, and the Swedes began to settle on the Åland Islands between Sweden and Finland.

When during the Viking Age (800-1000 A.D.) Swedish warriors and merchants dominated the trade routes across present-day Russia from the Baltic to the Black Sea, their ships sailed forth and back through the Gulf of Finland along the south coast of that country, and cultural contacts were established with the Finnish population inland. Actual Swedish immigration into the mainland of Finland did not start until round the year 1100 when immigrants coming across the Baltic began settling in the coastal regions of present-day south and southwest Finland. It was, however, only in limited areas that a purely Swedish population was found, and the immigration must be characterized as peaceful penetration. The Swedish newcomers were farmers like the Finns who were already established in the far-flung country. The Swedes most often settled in districts which were either uninhabited or very sparsely populated and as a result relations between the two population groups were friendly. The Swedish immigrants, however, originated from a country which, although itself in the first stages of statehood, was nevertheless more strongly organized than the Finnish communities. The Swedish immigration was therefore soon followed by an expansion of the ascending Swedish state, working hand in hand with the Roman Catholic Church in Finland, gradually encompassing the whole of that country. From about 1300, Sweden and Finland formed one kingdom, kept together primarily by the common King, the Church, the nobility, and the laws and the entire legal system. Swedish became the language of the ruling class, but the great majority of the people spoke only Finnish. The language more than any other factor became the characteristic feature of the Finnish part of the Swedish-Finnish kingdom.

Yet, the Finns were part and parcel of Nordic culture; their philosophy and religion, their laws and traditions, their political and social ideals, and, indeed, their entire

civilization were — and are — Nordic. In their own language — so dissimilar to Nordic tongues — they express the same ideas and the same sentiments as the other peoples of the Scandinavian area. The Finns themselves are deeply conscious of the fact that they are the easternmost outpost of Nordic civilization.

Apart from the Finnish-speaking population, all the Nordic peoples were bound closely together by the similarity of their languages. The common religion was another unifying force. When the Nordic peoples emerged from prehistoric darkness, they professed the paganism handed down from their forefathers, but in the Viking Age they all renounced their faith in Odin, Thor, and the other Nordic Gods, and became Christians. In like manner, about 500 years later (approximately 1530) they all seceded from the Roman Church at the same time and embraced the new Lutheran faith.

The unity of law in Scandinavia has also been a potent factor. Since the dawn of history, the Nordic peoples have had identical concepts of right and wrong, and practically the same legal principles. This heritage held its own against the pressure of Roman law, the expansion of which was arrested on the borders of Nordic civilization.

Thus, from the earliest days of Scandinavian history we see the Nordic peoples united by the bonds of language, law, religion and, in part, by common origin.

Despite this kinship and the cultural unity, three states began to emerge — likewise during the centuries following the Viking era — and they soon became rivals for influence and power in the Scandinavian area. The enormous extent of that area adequately explains why no political unity developed as a counterpart of the existing cultural unity. The three kingdoms were: *Denmark*, including the southernmost provinces of present-day Sweden; *Norway*, likewise with areas which later became Swedish, as well as the Faroe Islands, Iceland, and Greenland; and, finally, *Sweden* including Finland.

SCANDINAVIA UNITED IN THE KALMAR UNION 1397-1520

For a couple of centuries, the frontiers between the three states were not too clearly defined and there were no decisive conflicts of interest, despite numerous but minor wars. Many noble families had estates in two, or even three, of the countries. The three kingdoms could, therefore, quite easily be combined into various personal unions during the 14th century.

Two of these unions were of particular importance.

In 1380, Denmark and Norway (including the Faroe Islands, Iceland, and Greenland) were united under one king. In 1450, a treaty was concluded, uniting the two countries "in perpetuity". This union which, under Danish leadership, lasted for more than 350 years, led to increasingly close relations between the two countries.

In 1389, the Danish-born Queen Margrete of Norway, who governed Norway and Denmark after the early death of her son, the Danish-Norwegian King Oluf, also took over the government of Sweden-Finland in response to an appeal from the Swedish nobles. For the first time in history the entire Scandinavian area was now united under one political leader. The union received official confirmation in 1397 at a solemn ceremony held at Kalmar in south-east Sweden, attended by leading men from the three countries. Here, Queen Margrete had her nephew Erik crowned King of Denmark, Norway and Sweden. Queen Margrete wanted the union, which became known as the Kalmar Union, to have its king, foreign policy and defence in common. On the other hand, each country was to retain its independence in internal affairs, especially the administration of justice. The Queen's endeavours were inspired by the wish to combine the resources of the Scandinavian countries in defence against North Germany's Hanseatic towns and princes, who were striving for political and economic supremacy in the North. As long as the danger was imminent, the countries stuck

together, and, in thus averting the very real threat of germanization, the Kalmar Union had far-reaching effects on the history of Scandinavia and, in fact, of all Europe.

In its original form, however, the Kalmar Union lasted only about 50 years. As long as Queen Margrete held the reins she respected the individuality of the three countries, although Denmark, being richer, more populous, and closer to western Europe, was the leading and most influential state. Queen Margrete's successor, King Erik (1412-39), lacked her sagacity and moderation and tried to promote the interests of Denmark and to strengthen his royal power at the expense of the other countries and their nobles. For a time, however, the nobility of all three countries, who were in favour of the Union in its original form, succeeded in counteracting these tendencies. They dethroned King Erik and elected a new King, Christopher, who ruled the Union successfully according to the original principles, but on his early death in 1448, Sweden broke away and elected a king of her own.

This was tantamount to an actual disintegration of the Kalmar Union, although it long retained its appeal to Scandinavian minds. Throughout the following period of more than 70 years, the kings of Denmark-Norway, one after another, tried to win Sweden back into the Union by force of arms, relying on a pro-Union Swedish party of nobles. Although several of these attempts succeeded, the Swedish Independence Party, whose strength and antagonism to Denmark had been growing during the conflicts, broke up the Union every time.

The Kalmar Union came to a dramatic end. In 1520, King Christian II of Denmark-Norway conquered Stockholm, the capital of Sweden, for the last time. After his victory, the King ordered a large-scale massacre of the leaders of the anti-Union party. This atrocity so incensed all classes of the Swedish people that they drove the Danes out of the country. The Union party ceased to

exist, and a national Swedish dynasty, under Gustav Vasa, mounted the Swedish throne in 1523.

The Kalmar Union thus ended in a tragic collapse, leaving much bitterness in its wake, especially in Sweden. Yet, it had created an ideal of political unity in Scandinavia which, through the following centuries, retained its appeal though in very different degrees, in the various countries. Its strongest appeal has been felt in Denmark, where the realization of its advantages was not marred by memories of resistance struggles.

TWO SCANDINAVIAN REALMS 1520-1814

For almost 300 years after 1520, the Scandinavian area was divided in two large states: the western state, consisting of Denmark, Norway, the Faroe Islands, Iceland, and Greenland, was governed by the Danish-Norwegian King and had Copenhagen for its capital; the eastern state, comprising Sweden and Finland, was ruled by the Swedish King from Stockholm.

From about 1560, keen rivalry began for the supremacy of the Baltic Sea and the leadership of the North between the Danish-Norwegian and the Swedish-Finnish states. For more than 150 years, these power politics led to severe wars. At the beginning of the period, the Danish-Norwegian state was the stronger and even had a strategic advantage in the fact that it blocked Sweden almost entirely from access to the oceans. To the far north, Norway and Russia were coterminous; to the west, Norway and Denmark encircled Sweden completely, except for a narrow coastal area round Gothenburg. As the southernmost provinces of the Scandinavian peninsula belonged to Denmark, both coasts of the Sound and that important traffic artery itself were in Danish hands.

From about 1615, however, the strength of Sweden began to approach that of Denmark, and during the fol-

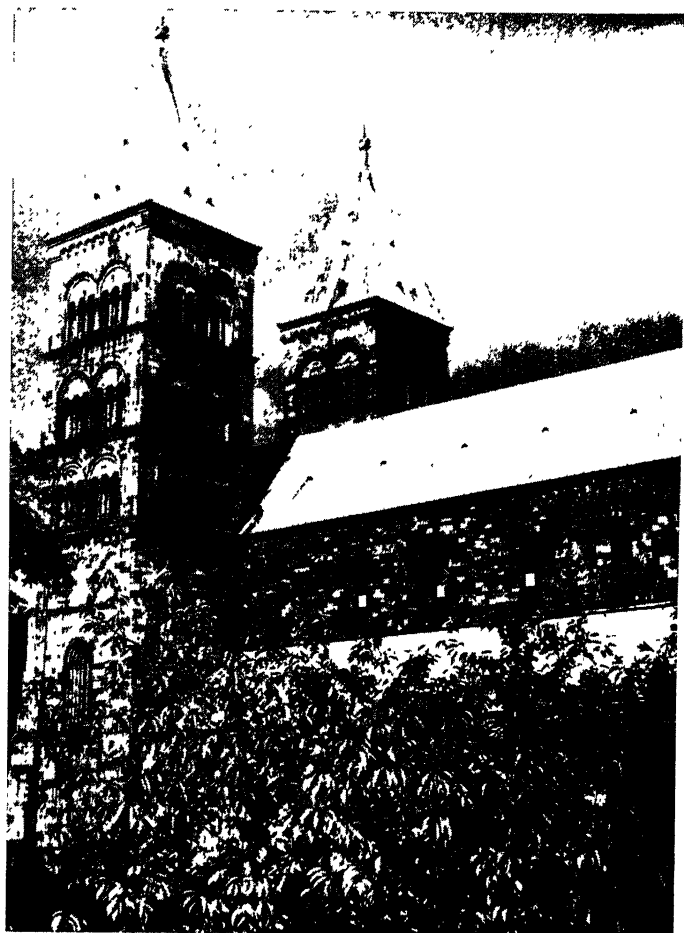
lowing decades it continued to grow. Under King Gustav II Adolf (1611-32) and his successor, at the time of the Thirty Years' War, Sweden conquered vast and valuable areas on the other side of the Baltic. The country became so powerful that she inflicted heavy defeats on Denmark-Norway in several wars, forcing that kingdom to cede large and important areas. Through these victories, Sweden obtained access to the western seas over a wide front and gained control of the east coast of the Sound. When these conquests had been completed (1660) Sweden-Finland was indisputably the leading power of Scandinavia.

During the following decades, the reconquest of the areas lost to Sweden became a major objective of Danish-Norwegian foreign policy. At last (1709) Denmark-Norway entered into an alliance with Czar Peter the Great of Russia, and with Poland, Prussia, and other rivals of Sweden. This concentric onslaught against King Karl XII deprived Sweden of her Baltic Empire and nearly all of her possessions in northern Germany, but the spoils went to non-Scandinavian powers. By 1721, when peace was finally restored after the Great Northern War, Sweden-Finland had suffered heavy losses, but Denmark-Norway had no territorial gains to show. The distribution of Scandinavia between the west-Scandinavian state and the east-Scandinavian state remained as it was in 1660. Two centuries of rivalry between the Nordic realms had reduced both of them to second-rank powers. Together, they controlled almost the same areas in 1720 as in 1520, when the Union was dissolved. But two new states, Russia and Prussia, had been formed just beyond Scandinavia's frontiers. The ascendancy of these two countries was to relegate the Nordic realms even further into the background until, ultimately, in the nineteenth century, they were to deprive Scandinavia of very valuable areas.

In other ways too the many Scandinavian wars had deplorable consequences. The armies wrought cruel de-

struction on frontier regions. The navies fought bitter battles in the Baltic and the adjoining seas. Neither party felt any scruples about joining the worst enemies of the other party in alliances which gave foreign powers far too much influence in Scandinavia. When Denmark-Norway held the upper hand, the peace treaties imposed economic burdens on the beaten enemy which left Sweden-Finland completely destitute. Sweden-Finland, on the other hand, later on took advantage of its new-won supremacy to deprive the enemy, especially Denmark, of some of her oldest and richest provinces. Moreover, the governments of the two countries, not content with armed strife, waged unbridled propaganda war against the "arch enemy", whose actions and character were painted in the darkest colours. As a result of all this, bitter national rancour developed in the war years among the peoples of Scandinavia.

The Great Northern War was the last serious attempt by the Danish-Norwegian state to regain the possessions lost to Sweden. The many years of war had left Sweden-Finland in a very weakened position, and the treaties of 1720-21 marked the beginning of a long period of peace in Scandinavia. This policy was also backed by the conscious efforts of many leading statesmen, who gradually came to realize that war among the Scandinavian countries was senseless and mutually destructive. At the end of the century, this view was expressed in a succinct statement by the Danish-Norwegian Foreign Minister, A. P. Bernstorff († 1797). Signing an agreement between the two kingdoms he said: "All that brings Sweden and Denmark together is natural. All that separates them is unjust and unnatural".



The Cathedral of Lund in Sweden. In 1103 the Nordic church was severed from the ecclesiastical province of Bremen and made an independent archbishopric with, as its head, the bishop of Lund, in the then Danish province of Scania. This archbishopric was the first institution in which all the Nordic countries shared, and even when later in the same century Norway and Sweden secured their own archbishoprics at Trondheim and Uppsala respectively, Lund for some time retained its primacy.



Thingvellir, the meeting-place from 930 A.D. of the Althing, the legislative assembly of the ancient Icelandic republic. The impressively situated plain about 25 miles from Reykjavik is still the place of assembly for great national events.



In the early Middle Ages each province of the Nordic countries had its own *thing* where the freemen met, laws were made and cases tried. In the *thing* at Ringsted in Denmark the inhabitants of the province of Zealand used to swear allegiance to the new king.

NATIONAL STRUCTURE OF SCANDINAVIA DISRUPTED BY NAPOLEONIC WARS

The Nordic states were on opposite sides in the pandemonium of the Napoleonic wars. Sweden-Finland joined England, while Denmark-Norway — against its wishes and interests — was driven into the French camp by the British attack on Copenhagen in 1807. A combined Danish-Norwegian and Russian attack was launched against Sweden-Finland in 1808 as part of Napoleon's and the Russian Emperor's plans, but the half-hearted Danish-Norwegian campaign ended in a peace treaty the following year, without land cessions.

The Russian attack, on the other hand, had disastrous consequences to the Swedish-Finnish state. Russian armies overran Finland and even penetrated into Swedish territory from the north. Under the peace treaty of 1809, the Swedish King had to cede Finland, with the Åland Islands, to the Russian Czar, and the centuries old and deeply integrated relations between Sweden and Finland were severed. Finland was not formally incorporated in Russia but became a Grand Duchy under the Czar, and Finland retained her own Diet. (See note on page opposite p. 33).

The following year, Sweden had to elect a new heir to the throne because the King had no successor. The Swedes chose one of Napoleon's marshals, Bernadotte, hoping in this way to win back Finland. Bernadotte accepted, but he did not intend to wage war against Russia, with whose strength he was familiar. He advocated the abandonment of the Finland plans in favour of the conquest of Norway, urging that a combination of Sweden and Norway would make the Scandinavian peninsula one strategic unit which would be easy to defend.

Bernadotte succeeded in winning over the leading Swedish statesmen for his plans which were furthered by the stubborn adherence of Denmark-Norway to the French

alliance. After Napoleon's defeat in Russia and the launching of the revived European coalition against him, in 1813, Bernadotte brought Sweden into the camp of the enemies of France and, in return, was promised Norway when the loot was to be shared.

When Napoleon had been beaten in Germany in the autumn of 1813, Bernadotte turned north with his armies. By the Treaty of Kiel in January 1814 the King of Denmark was compelled to cede Norway to the Swedish King. This treaty broke up the Danish-Norwegian union. Bernadotte, however, was only interested in the Norwegian mainland and laid no claim to Norway's possessions in the Atlantic — the Faroe Islands, Iceland, and Greenland. They remained under the Danish King, becoming purely Danish dependencies.

Though Bernadotte had forced the Danish-Norwegian government to cede Norway, he failed to take the will of the Norwegian people into account. Since the end of the 18th century, a national consciousness had been developing in Norway, but the Norwegian people had no wish to disrupt the Danish-Norwegian monarchy; their only desire was for a greater measure of self-government. On the other hand, they wished even less to become the subjects of the King of Sweden. The Norwegians therefore refused to recognize their separation from Denmark by foreign arms and proclaimed their independence. They adopted a free constitution, established a parliament, and elected a Danish prince King of Norway (May 1814).

In order to enforce the peace treaty, Bernadotte had to send a Swedish army into Norway. No large-scale fighting took place because both parties were anxious to seek a peaceful solution, but Norway had to accept the Swedish monarch as their king and to agree to a common foreign policy for the two countries (November 1814). Nevertheless, Norway retained her newly-won independence, her free constitution, and complete self-government in internal affairs.

For the first time since the Middle Ages, Norway had again become an independent country, and peace in the Scandinavian peninsula was ensured by the fact that Norway and Sweden had their king and their foreign policy in common.

NEW AND OLD NATIONAL STATES

The cataclysm caused by the Napoleonic wars was one of the most important and revolutionary events in the history of the Nordic peoples. It severed ancient ties and became the starting point of entirely new developments.

After several hundred years of union, the West-Nordic and the East-Nordic states were split up. But the age-long relationship between Denmark and Norway, and between Sweden and Finland, left indelible marks on the languages, government, legislation, administration of justice, social life, and literature, and on many other aspects of the lives of the Nordic peoples. Unbreakable bonds had been tied, similarities and conformities established. The spirit of solidarity created over long and important periods is still very much alive and constitutes a valuable foundation for the present-day endeavours of Scandinavian co-operation.

It should not be overlooked, however, that the past also left a negative heritage. When modern government began to take shape, many structural dissimilarities developed in administrative practices and in the implementation of the common principles of law. Also political and social trends took divergent courses which only in very recent times have been brought together again.

Another factor has been even more important. Finland, and especially Norway and Iceland, which were the weak parties in Nordic relations, felt that their affiliation with the stronger Swedish and Danish states retarded or inhibited their national development, and that their economic, political, and cultural interests had been neglected.

Particular resentment was felt over the predominance of the Danish language in Norway and the Swedish language in Finland.

Contemporaneously with the emergence of Finland and Norway as independent national units with their own political individualities, the Romantic movement began to assert itself in the literature and learning of both countries. Romanticism, with its appeal to the historic and cultural backgrounds of individual nationalities, became an important stimulus to the resolve of the peoples to lead their own lives on an equal footing with the two brother peoples with whom they had been so closely associated. It was a fortunate coincidence that the two young nations gained political opportunities for self-assertion almost at the very time when the prevailing spiritual trend gave such tremendous impetus to national sentiment. In both countries these tendencies resulted in assiduous efforts to make the peoples realize their national characteristics and historical background.

A certain amount of antagonism towards their former associates was an inevitable consequence of these developments. Both in Finland and Norway this cultural self-assertion became particularly manifest in movements for linguistic independence. In the long period of Danish-Norwegian unity, the Danish written language had become dominant, and a Norwegian-influenced dialect of Danish was the spoken language of the towns, of leading circles in the country and, above all, of government officials. The new All-Norwegian movement now started a determined campaign to reinstate the old Norwegian language, as spoken by the peasants, in a position of equality with the Danish language of the towns and the upper classes.

Finland entered upon a similar course. Swedish was spoken not only by the Swedish population groups, which had settled long ago in regions along parts of the Finnish coast, but also by the entire upper class whose members

were either Swedish-born or Finns who had embraced the Swedish language and culture. Through these channels, Swedish had become the administrative and legal language and dominated the schools and the world of learning. But Finnish was the only language understood by the overwhelming majority of the population — about 80 per cent. The advocates of Finnish national resurgence concentrated their efforts on the restoration of the Finnish mother tongue to its rightful position in all fields of social and cultural life. Tremendous efforts were made to achieve this goal, but in Finland — as in Norway — strong internal friction was inevitable between the advocates of the two languages. Many circles in Denmark took a critical view of the feud waged by the Norwegian national movement against the Danish-Norwegian language. Similarly, the attacks launched against the Swedish language in Finland by the Finnish national movement generated resentment in Sweden.

Iceland did not regain her national independence, which had been lost in the early Middle Ages, until a hundred years after Norway. After 1814, Iceland remained a dependent territory of Denmark, like the Faroe Islands and Greenland. In Iceland, too, Romanticism inspired a strong nationalist movement which strove to develop the cultural characteristics of the Icelanders and to strengthen the position of the Icelandic language in relation to Danish. But soon this movement also began to work for an increasing measure of political independence.

Unlike the three other peoples, the Danes and the Swedes did not have to look to history for confirmation of their national characteristics and their claim to independent national and social lives. The Romantic movement, nevertheless, also became a potent force in Denmark and Sweden, enriching and deepening their national sentiments. But this development took a more harmonious course in the two "old" countries than in the younger states where opposition to Danish or Swedish

influences inevitably created internal dissension and external tensions.

In the 19th century all the Nordic peoples thus experienced a rich cultural revival, inspired by their national heritage. Although generated, in part, by political separation, the flourishing intellectual life added new values to Nordic culture as a whole, thanks to the close cultural ties among the Scandinavian peoples, which were strengthened rather than weakened, by the new centrifugal forces.

SCANDINAVIANISM 1840-1870

There is a natural explanation to this apparent paradox. While reaffirming the belief of the Nordic peoples in their own characteristics, and in their right to live their own individual lives, the Romantic movement also led to an entirely new realization of the affinities and interdependence of the Nordic peoples. When the individual nations, inspired by the ideas of Romanticism, looked back into their own history, they first met their own past. But their poets, philosophers, and archaeologists could show them a time, behind that past, when spiritual life, language, and civilization had been almost identical in all parts of Scandinavia — an era when the Nordic peoples had not yet become clearly separate nations and when individual states hardly existed in Scandinavia.

University students and the young academic world were the first to find inspiration in Nordic solidarity. In the early 1840s there was an element of liberalism in this inspiration. In all countries there were movements striving for a freer system of government than the existing conservatism. National-liberal movements like those of Germany and Italy were formed in Scandinavia, sponsored by academic groups and members of the upper middle classes. The advent of steamships and railways facilitated personal contacts across the frontiers, and the example set by other countries was a spur to do likewise. The

first Scandinavian meeting of natural scientists, in 1839, followed by numerous other meetings, was modelled on a German pattern, and the German customs union, too, soon found response in Nordic minds (see note opposite p. 49).

There were also strong political forces, both in Denmark and Sweden, whose aims could be furthered by political co-operation in Scandinavia. Denmark looked to a defence alliance with Sweden-Norway to assist her in her efforts to stem German expansionist designs on Slesvig. In return, influential Danish political circles wanted to give the Crown of Denmark to the King of Sweden and Norway. The most radical spokesmen for Scandinavian unity even visualized a common constitution and a union parliament. In the middle of the 19th century, the Swedish kings, themselves, were also deeply engrossed with the idea of creating a Scandinavian union under the Swedish Dynasty.

Thus, around the middle of the 19th century, a struggle between centripetal and centrifugal forces was going on in the Nordic peoples. In keeping with the different historical backgrounds, however, events took different courses in the individual countries. Iceland and Finland were dominated by the forces of national resurgence — in Iceland because that country was still a Danish dependency, and in Finland because the political ties with Russia prevented closer relations with the rest of Scandinavia. In Norway too the national forces held the upper hand. Norway was in the midst of the cultural dissociation from the defunct Danish-Norwegian union and was becoming increasingly antagonistic towards the Swedish-Norwegian union which was very much alive. In Sweden — now the largest and by far the most populous country of the North — a certain national self-sufficiency hampered the spread of the ideas of Nordic unity, although the Swedish king took a keen personal interest in the issue, motivated by dynastic reasons. In Denmark, on the

other hand, where former unions called forth only proud memories of a glorious past, Scandinavianism was in complete concord with the prevailing psychological and political situation, the more so as Denmark's national conflict with Germany was a particularly strong motive for close collaboration with the other Nordic peoples.

The 19th century endeavours to unify Italy and Germany succeeded because, both in Italy and Germany, one state was strong enough to bring about the unification by armed force. In Scandinavia the position was different. No individual state could have forced its will upon the others but, quite apart from this, there was in fact no desire to create unity by "blood and iron". The Scandinavian peoples knew from bitter experience that the path of war led only to disaster.

Scandinavia, therefore, could only be unified by negotiation and collaboration. But before the time was ripe for a defence alliance, it was forestalled by the Prussian-Austrian attack on Denmark in 1864. It is understandable that the responsible Swedish and Norwegian authorities had no desire to lead their countries into an improvised war with the German powers, especially without any alliance with some great power but this decision caused disappointment and grief in Denmark and resentment among Norwegian and Swedish advocates of a united Scandinavia. Quite a number of Norwegian, Swedish and Finnish volunteers hurried to the aid of Denmark in her plight.

BUILDING SCANDINAVIAN CO-OPERATION FROM BELOW 1870-1914

However deeply felt, the disappointment in 1864 did not break the will to co-operate in the North but the leaders of the movement realised that their method of approach had been mistaken. Instead of building from

the top, with a military alliance and a dynastic and constitutional union as their goal, they now took the opposite course. The first step, they decided, should be to prepare the peoples' minds for co-operation and, at the same time, to embark upon less ambitious projects.

Such ideas had been germinating long before 1864. Concurrent with the plans for a defensive alliance and a monarchical union there had been sporadic discussions on many practical problems. These included a customs union, a currency union, common weights and measures, more instruction in the languages of the brother peoples, common legislation of various kinds, and co-operation among universities with mutual recognition of degrees conferred by universities of other Scandinavian countries. The first results had, in fact, already been achieved; a Scandinavian postal union was under formation; judgments passed in Denmark could be enforced in Sweden and vice versa; and co-operation among organizations working in related fields was expanding. It is worth noting that the first congress of Scandinavian economists was held as early as 1862.

The inspiring forces behind the endeavours after 1864 were the same as those which had been active before that epoch-making year. Nearly all the men who now tackled the less glamorous but more practical jobs — cabinet ministers, members of parliament, business men, and professional men in science, law and education had during their student days and later been active in the Pan-Scandinavianism of the 1840s, 50s and 60s. Now they held responsible positions where they could translate many of their ideas into action.

In the 1860's and the following years, folk high schools were established all over Scandinavia by men who gave the spiritual affinities of the Scandinavian peoples a central position in the work of the new schools. From the rostrums of these schools the advocates of Scandinavian solidarity spread their ideas among the rural populations,

where these thoughts had already met with some response (see p. 44 and 120—121).

Among the sponsors of the first meeting of Scandinavian jurists, held in 1872, were many leading men of the Pan-Scandinavian movement. This meeting created the basis for the far-reaching uniformity which, step by step, was established in the administration of justice in Scandinavia in the course of the next two generations (see p. 53 ff).

At the instance of Scandinavian economists and prominent business men, the governments of Denmark, Norway, and Sweden decided in 1872 to establish a currency union with a common medium of exchange based on gold (see p. 89). The agreement was ratified by Denmark and Sweden in 1873, and by Norway in 1875. The currency union, which was later extended to include bank notes, was a useful step, and also a tangible manifestation of Nordic co-operation. Plans for a Scandinavian customs union, on the other hand, could not be realized, but a "customs agreement" existed between Sweden and Norway from 1874 to 1897 (see p. 91—93).

It was to be of decisive importance to the future of Scandinavian co-operation that it was not sponsored by academic circles alone. Great popular movements had joined the work even before the end of the 19th century. The labour movements in Scandinavia maintained particularly close relations, building upon contacts which had existed since the formation and early development of the trade unions. The first Scandinavian labour congress met in 1886. Since then, not only trade union leaders, but also prominent Social-Democratic politicians, have met for frequent consultations. In the course of time the labour movement became one of the most potent forces behind Scandinavian solidarity and collaboration.

Many other organizations maintained close contacts with their counterparts in the other Scandinavian countries. Such collaboration, especially among industrial, commercial, and agricultural organizations, expanded

and, apart from its general usefulness, resulted in innumerable personal ties among leading men from various walks of life.

The year 1905 saw the dissolution of the union between Norway and Sweden, following various Norwegian steps which caused some bitterness in Sweden. Nevertheless, the statesmen of the two countries succeeded in reaching a peaceful solution to this difficult conflict, which left no lasting discord between the Norwegian and the Swedish peoples. Nor did the conflict over the union cause any major setback in Nordic co-operation. Only two years after the events of 1905 the members of the Scandinavian parliaments set up their own private organization for Scandinavian collaboration, the Northern Inter-parliamentary Union. After Norway had attained complete political independence it was, in fact, easier to interest the Norwegians in Scandinavian co-operation, the three peoples now meeting on an absolutely equal footing.

SCANDINAVIA DURING THE FIRST WORLD WAR

The First World War was a milestone in Scandinavian co-operation inasmuch as the governments now became directly involved in it to a much wider extent than hitherto. They issued identical declarations of neutrality, and on many occasions they presented notes of identical tenor to the belligerent powers, protesting against arbitrary attacks on Scandinavian merchant ships and rejecting the interference of the belligerents with the commercial policies of the Scandinavian countries. This unity in foreign relations was reflected by meetings between the kings and between the foreign ministers of the Nordic countries. The first meeting of the Scandinavian kings, held in December 1914, when King Christian X of Denmark and his brother King Haakon VII of Norway were

the guests of the Swedish King Gustav V at Malmö on the Sound, attracted special attention. The meetings of the kings demonstrated to the Scandinavians and to the world the solidarity of the Nordic peoples, and their common resolve to stay out of the war.

From the spring of 1917 this co-operation became still closer and still more important. The unrestricted submarine warfare, declared by Germany, and the retaliatory tightening of the blockade by the *Entente*, seriously jeopardized the supplies of vital commodities to Scandinavia, which is heavily dependent on sea-borne traffic. The Nordic countries lost no time in organizing an intra-Scandinavian exchange of commodities, under which each country was to supply the other countries with anything that it could possibly spare, whether or not the other countries could reciprocate in full with their own products. In order to achieve the widest possible measure of mutual assistance, rationing of commodities needed by the other countries was tightened. Danish supplies of butter, eggs, bacon, and meat, were of real help to Norway and Sweden. In return, Sweden supplied Denmark with iron, steel, and other metals, timber, paper, cardboard, and chemicals. Norway was able to supply the same commodities in addition to fish and, above all, fertilizers.

Before the war, intra-Scandinavian trade normally represented 12–13 per cent of the total foreign trade of the Nordic countries. By 1918, goods supplied under the barter system had raised this percentage to 30. The belligerent powers looked askance at this close co-operation, which deprived both Germany and Britain of commodities on which they themselves had counted, but the Scandinavian governments rejected all foreign protests against this barter trade.

The dangers and privations of war had brought home the value of co-operation to the Nordic peoples with unprecedented emphasis. They responded by creating many more new contacts between economic and cultural

groups. It was under these circumstances that the Norden Association was formed in 1919 in Denmark, Norway, and Sweden, and, a few years later, also in Iceland (1922) and in Finland (1924). This organ of Scandinavian co-operation was founded by government officials, politicians, and prominent men from industry, agriculture and commerce from all three countries who had taken part in the barter negotiations. They wanted to perpetuate the war-time solidarity and co-operation as an inspiring force in the post-war world. The sole purpose of the Norden Association was to promote Scandinavian co-operation in every possible way, and this singleness of purpose has enabled the organization to concentrate all its efforts on that objective (see p. 47-51).

To Scandinavia, the most important consequences of the First World War were that Finland and Iceland became sovereign states in December 1917 and December 1918, respectively. From now on, they could make their own valuable contributions to Nordic co-operation. Finland, which attained her independence in connection with the Russian revolution, elected to constitute herself as a republic. The Åland Islands, between Sweden and Finland, with an almost entirely Swedish-speaking population, were granted extensive self-government rights in 1922. New legislation, passed in 1952, created a kind of special citizenship for the islands, thereby guaranteeing the native inhabitants of the province their exclusive right to vote and to acquire land. In 1954, the Åland Islands obtained the right to fly their own flag locally. Iceland, which had been a part of Denmark, was granted independence, but remained associated with Denmark under the same king and through common foreign policy until 1944. In 1948 the Faroe Islands were granted home-rule, with their own flag, within the Danish kingdom. Greenland which had remained a Danish colony, was incorporated in the kingdom of Denmark in 1953 on an equal footing with the other parts of the country.

In one respect, the war brought a setback to Scandinavian unity. As a result of dissimilar economic conditions and monetary policies in the war years, the provisions of the currency union were gradually suspended, though the convention was never formally cancelled. The currency union has to date never been re-established (see p. 93—94).

SCANDINAVIAN CO-OPERATION IN THE 1920's

During the First World War, Scandinavian co-operation had extended to important new fields and had come to occupy a more prominent position in the eyes of the general public. The governments, however, made no serious effort to continue the economic co-operation established during the war, or to re-establish the currency union. Intra-Scandinavian trade reverted to its pre-war volume, and only sporadic attempts were made to examine the possibilities of co-operation in tariff policy. The most important result of this was the adoption of a Scandinavian "escape clause" to be incorporated in future commercial treaties with non-Scandinavian countries (see p. 95). The main reason for this inactivity was that all the countries had their hands full of post-war problems of their own. The newly established League of Nations also occupied part of their attention.

During the last stages of the war, the Scandinavian governments began to discuss how the League of Nations should be organized, and when the League had been established the Nordic countries soon began to work in union in the League of Nations, the International Labour Organisation, and in other international bodies. Here, again, valuable personal contacts were made between Scandinavian politicians and government officials. The Nordic delegations endeavoured to co-ordinate their views on the problems under consideration, and world opinion

gradually came to regard the Scandinavian countries as a single unit. This was reflected in the practice of reserving one seat on the Council of the League for the Nordic countries. Although the war-time meetings of the foreign ministers ceased in 1920, there were much closer relations between the Scandinavian governments and politicians after the war, than before 1914.

Though no major progress was achieved in economic co-operation during the 'twenties, though the currency union was not re-established and the official connections between the governments were less active than during the war, a lively discussion of Nordic co-operation still went on throughout the decade, inspired by the war-time experiences. The co-operation in the administration of justice was expanded (see p. 53 ff), and co-operation in social policy began to gather momentum (see p. 60 ff).

At the same time, the founding of the Norden Association resulted in a much more determined effort to strengthen the cultural relations, especially in the field of education (see p. 47-48).

FROM THE GREAT DEPRESSION TO THE SECOND WORLD WAR 1929-1939

From the beginning of the 'thirties, Scandinavian co-operation took a new upward turn, under the impact of the universal depression, the rise of Nazism in Germany, and the growing danger of war in Europe. With new hazards towering before them, the Scandinavian governments again realized the usefulness of personal contacts, not only at Geneva, but also directly at meetings held in their own capitals. The first of the new meetings of foreign ministers was held in Copenhagen in January 1932. At the next meeting, in 1934, Finland's foreign minister attended for the first time. From that year, these meetings became an established practice, and one or more

meetings were held every year up to February 1940. The Ministers of Commerce, Social Welfare, Justice, and Education, also began to hold conferences from time to time.

An important element of this co-operation was the growing participation by Finland, also in foreign policy. In the 'twenties, Finland's diplomatic interests tended towards Poland and the Baltic States, which, like Finland, entertained misgivings about the Soviet Union. On 5 December 1935, however, the Prime Minister of Finland, in a statement in Parliament — endorsed by all the political parties — declared that, in future, Finland would associate herself with the Scandinavian countries and follow their line of neutrality. This statement was a milestone in Finland's relations with the rest of Scandinavia.

Immediately after the First World War a sharp conflict arose between Sweden and Finland over the Åland Islands, whose Swedish-speaking population wanted to be united with Sweden. The conflict was settled through the intervention of the League of Nations, in 1921, and did not disturb the relations between the two countries. The Åland Islands were to remain a part of Finland but their population was guaranteed a certain autonomy, and by an international convention the islands were neutralized and demilitarized (see p. 29). Ten years later, Denmark and Norway had a similar dispute over the sovereignty of parts of East Greenland. This conflict, too, stirred up considerable agitation in both of the countries, but when, in 1933, the International Court of Justice at the Hague had recognized Denmark's right to the disputed area, the heated debate soon subsided, indeed was soon completely forgotten in the preoccupation of both countries with the dangerous course of events in Europe.

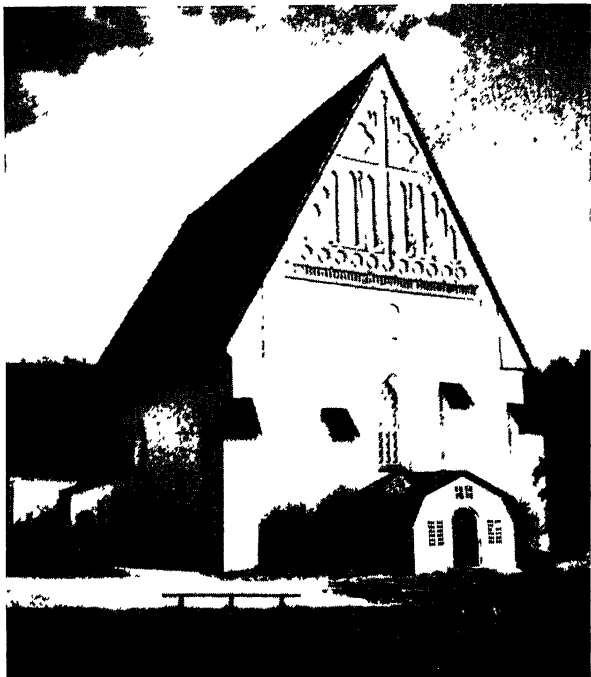
Economic problems were the first to demand attention. When the United Kingdom, in order to expand its exports



For centuries Denmark and Norway on the one hand and Sweden and Finland on the other formed separate political entities. Traces of this survive even in details of clerical dress. Danish and Norwegian clergy wear ruffs, Swedish and Finnish bands.



At the end of the 14th century all of the Scandinavian countries were united under one monarch. This union was solemnized in 1397 at Kalmar Castle in Sweden where Queen Margrete had her nephew Erik crowned king of all three kingdoms.



In 1809 at the Peace of Hamina (Fredrikshamn) the King of Sweden was forced to surrender Finland to the Czar of Russia. At a meeting of the Estates of Finland in the church at Porvoo (Borgå) in Finland, shown above, Alexander I had recognized Finland as a separate nation. In a solemn promise he undertook to respect not only the conquered country's social institutions, legal system, and Lutheran church but also the constitution under which Finland had lived while a part of Sweden. This constitution had given the Swedish king great but not absolute power. This power was now transferred to the Russian Czar who as ruler of Finland bore the title of Grand Duke. Though absolute in his own empire, his powers as Grand Duke of Finland were thus limited. Consequently, Finland became an autonomous country, its officials were recruited from among its own citizens, the only exception being the Governor General, the Czar's personal representative. The exceptional position of Finland was emphasized by the fact that there existed a special Finnish citizenship and that the country retained its own administrative and legal institutions and its own laws and own Diet.

and restrict imports, made heavy demands on all the Scandinavian countries, the latter became very much alive to their common interests, and kept in touch in order to prevent the British Government from playing one country against the other during the treaty negotiations in 1933. In 1934, each of the Scandinavian governments appointed committees to promote intra-Scandinavian trade and improve their position in world markets. These "Neighbour Country Committees", which were to co-operate among themselves and with representatives of economic life, assumed particular importance from 1937, when they focussed their attention on securing commodity supplies in the event of a new blockade (see p. 96—97).

In all essential respects, the Scandinavian countries pursued a common foreign policy in those turbulent years. When the sanctions adopted by the League of Nations against Italy, in the conflict over Ethiopia, collapsed in 1936, all the Scandinavian countries issued declarations reserving their position in the event of future sanctions, and expressing their intention to remain neutral in any conflict between great powers. In 1938, the Scandinavian countries jointly adopted new rules of neutrality.

The victory of the Nazis in 1933, and their wanton display of power during the following years, did much to cement Scandinavian feelings of solidarity. In all fields of social and cultural life, the repugnant ideas and methods of National Socialism gave the Nordic peoples an indirect object lesson in their own affinities and showed them how closely related they were in all essential respects.

When Germany began to rearm openly in 1935 and again became the dominant naval power in the Baltic, it was regarded as a latent threat to all the Scandinavian countries, except Iceland. Up to that time, Scandinavia had been thinking in terms of a military threat from the East, directed against Finland. Denmark and Sweden — and, to a lesser degree, also Norway — now felt that they

were in the danger zone, too. The realization of this risk again brought up the idea of Scandinavian defence co-operation, which had never been completely shelved. The response to these ideas was particularly strong in Conservative circles in Denmark and Sweden, but the results were very meagre in terms of practical policy. The so-called "Stockholm Plan", under which Sweden and Finland would co-operate in the defence of the Åland Islands, was adopted in January 1939, but it was never carried into effect because the Soviet Union opposed it.

A couple of months later, in April 1939, Hitler offered bi-lateral treaties of non-aggression to all the Scandinavian countries. The Danish Government, on account of the Danish-German frontier of 1920, found it unwise to reject the offer, though they had no illusions concerning its intrinsic value. Denmark suggested that all the Scandinavian countries should express their willingness to enter into joint negotiations for a non-aggression pact with Germany. But as the other Nordic countries did not want any treaty at all, Denmark concluded such a pact on her own behalf. This treaty brought no change in Denmark's relations with the other Nordic countries. Unanimously, they stood on unconditional neutrality, and stuck to this policy at the outbreak of the Second World War in September 1939. At the same time, the Governments again initiated co-operation to ease mutual economic and other difficulties wherever possible.

THE SECOND WORLD WAR 1939-45

In spite of their unanimous and ardent desire to stay out of the war, the Scandinavian countries did not succeed in staving off the disaster. The first blow struck Finland. When the Finnish Government was summoned to Moscow for negotiations in October 1939, the other

Scandinavian countries tried to back her up by making joint representations to the Soviet Government. A few days later, the Nordic countries demonstrated their solidarity with Finland even more outspokenly. At a meeting held in Stockholm on 18 and 19 October 1939 the Scandinavian heads of state with their foreign ministers met for their first official conference since 1917 — the first meeting of the kind to include representatives of Finland. But the conference could only promise moral support to Finland, and that was not sufficient to ward off the Russian attack, which came on 30 November 1939.

The attack on Finland and the heroic struggle of the Finnish people against overwhelming forces aroused universal sympathy for Finland in the rest of Scandinavia. During the harrowing months of the so-called Winter War, the Scandinavian peoples came to realize their solidarity more profoundly than ever before. No other single event in Scandinavian history has done so much to make the Nordic peoples realize their close kinship and interdependence.

Military aid to Finland was out of the question, but enormous collections were started in every part of Scandinavia. Homes were thrown open to children from war-devastated areas and volunteers flocked to Finland to fight in the Finnish Army. Sweden, particularly, made great contributions of money, men, and material to the Finnish war effort. The Swedish Government granted huge loans and placed large quantities of war material at the disposal of Finland. Likewise, it attempted through diplomatic channels to pave the way for a peace on reasonable terms before Finland's resistance had been crushed.

Immediately after the peace (concluded in Moscow on 12 March 1940) the government of Finland approached the Swedish and Norwegian governments, asking whether they would be willing to consider plans for a defence alliance of the three countries. Norway and Sweden agreed

to this but Foreign Minister Molotov of the U. S. S. R. promptly opposed the idea, declaring that the Soviet Union would consider a Finnish defence alliance with Norway and Sweden a violation of the recent peace treaty. This obviously put an end to the plan.

Less than a month later, on 9 April 1940, Germany attacked Denmark and Norway. Now began a new phase, of indefinite duration, in Scandinavian relations. Practically the entire closely woven network of official and private co-operation was brought to a standstill, and for some time to come the external circumstances of the Nordic countries were to be widely divergent. Iceland and the Faroe Islands were occupied by the Anglo-Saxons; Denmark was occupied by the Germans on comparatively lenient terms; Norway was defeated by them and brought under the harsh Nazi yoke. Sweden, in a state of powerful military preparedness, succeeded in remaining neutral, and Finland joined forces with Germany against the Soviet Union from 1941 to 1944.

But across all of these separating influences, Nordic solidarity grew as never before. The free or semi-free peoples were deeply affected by the distress of the hard-pressed sister nations and gave practical expression to their sympathy in material contributions on an enormous scale, while the oppressed countries were filled with gratitude for the assistance sent them and for the asylum given to fellow-countrymen who were forced to flee from the Gestapo. On the other hand, there were, admittedly, self-righteous individuals, both in Denmark and Norway, who felt indignant over Sweden's policy of neutrality — a policy which every one of the countries would have chosen for themselves if they had had the choice. There were also some who were outraged by the German transit traffic of soldiers and war material through Sweden, without taking the trouble to try to understand why the Swedish government and parliament felt compelled for some time to grant the Germans this painful concession.

NORDIC CO-OPERATION SINCE 1945

The deep feeling of solidarity which grew out of the war proved fertile ground for post-war co-operation. The strength of these endeavours varied, naturally enough, from country to country, dependent on their historic backgrounds and their experiences during the war. The bad feelings caused by war-time events quickly evaporated when finally the true circumstances could be revealed. All of the countries were fully aware of the fact that the difficult times ahead made co-operation more necessary than ever before. Therefore, the decade following the Second World War brought decisive developments in Scandinavian co-operation. In many different fields new trails were blazed, and the Nordic countries now found the time ripe to tackle the two most important problems of all: common defence and common economic policies.

The event which was directly responsible for bringing up the question of a defence alliance was the Communist *coup d'état* in Czechoslovakia, in February 1948, and the misgivings caused by it in Scandinavia and the whole of Europe. Because of her special relations with the Soviet Union, Finland could not be a party to the preliminary studies started in October 1948 by a Scandinavian committee on defence consisting of representatives from Denmark, Norway, and Sweden. The committee, in its report of January 1949, declared that joint military action would materially facilitate the defence of Scandinavia, providing that such action was prepared in peace time within the framework of a defence union. But the committee also emphasized that the import of essential raw materials and fuel was indispensable, as Scandinavia was not self-sufficient in these commodities. It further stressed the urgency of building up Denmark's and Norway's defence forces, which had been completely dis-

organized by the Germans during the occupation, and that a comparatively rapid expansion would be impossible without supplies of arms from abroad.

Despite the fact that Sweden was heavily armed while Denmark and Norway were devoid of arms and completely defenceless, the Swedish Government proposed a defence union of the three countries. It was, however, stipulated in the Swedish proposal that such an alliance should remain outside the two great blocs of powers dividing the world. More specifically, this meant that Scandinavia should stay outside the Atlantic Pact, which the United States was trying to establish at that time.

For Norway, however, the decisive question was whether she could remain outside the Atlantic Pact and still secure supplies of war materials from the West. In an effort to pave the way for a Scandinavian alliance, the Danish Government tried to reconcile the two views, but when the United States insisted on membership in the North Atlantic Treaty Organization (NATO) as a condition for supplying arms to the Nordic countries, there was no longer any possibility of a Scandinavian defence alliance. The position was made clear at two meetings of leading Danish, Norwegian, and Swedish cabinet ministers and members of parliament, held in Copenhagen and Oslo in late January 1949. As a result, first Norway, then Denmark, and later also Iceland joined the North Atlantic Treaty Organization.

The year before, in April 1948, Finland, on the invitation of the Government of Moscow, concluded a treaty of friendship, co-operation and mutual assistance with the Soviet Union. By this agreement Finland undertook to defend her own territory if Germany, or a state allied with Germany, attacked either Finland or the Soviet Union through Finnish territory. In the event that such an attack threatened, Finland committed herself to consult with the Soviet Union on military support which, however, was only to be given with Finland's consent.

The agreement expressly recognized Finland's efforts to keep outside the conflicts of the great powers and thus secured the country's neutrality.

It might have been feared that the rocks on which the defence alliance foundered would shatter the whole of Scandinavian co-operation. But events took the very opposite course. Leading politicians of all five countries now realized the urgent need for achieving results in other fields to offset the consequences of the disagreement in foreign policy. Scandinavian co-operation was therefore pursued with intensified vigour and resolve and each of the following years showed new and valuable results.

It was of major importance for this development that after the war Scandinavian collaboration was much more systematically organized than heretofore. For instance, meetings of cabinet ministers, especially the foreign ministers, became much more frequent. During the first eleven years, until 1956, Finland did not take part in the foreign ministers' meetings, but was usually represented when the ministers of social welfare, justice, education, and fisheries met in the various capitals at more or less regular intervals. When the study of economic problems was organized on a more permanent basis in 1954, Denmark, Norway, and Sweden set up a committee of three cabinet ministers to supervise this work (see p. 174). Finland joined it in the autumn of 1956.

A number of permanent Scandinavian organs of co-operation, usually comprising government officials, have been formed in the post-war years to investigate current problems. At present, there are five such bodies, dealing with social problems, general legislation, cultural matters, co-ordination of communications as well as removal of restrictions on travel, and economic co-operation. Apart from the last committee, which Finland did not join until 1956, she took a very active part in the work of all these permanent bodies.

In addition, the chief administrative officers of government railways, postal and telegraph services, broadcasting companies, factory inspection, customs authorities and health services meet for more informal but quite regular discussions.

The most important of all the new bodies set up in recent years to promote co-operation is the Nordic Council, an assembly representing both the Scandinavian parliaments and the Scandinavian governments (see p. 101 ff). Almost all the results obtained during the last five years can be traced back to the recommendations made by the Council to the respective governments.

CHAPTER II

CULTURAL CO-OPERATION

Ever since the dawn of Scandinavian history, the common cultural background of the Nordic peoples has been the strongest unifying force and it is still, today, the cornerstone of Scandinavian co-operation. In recent decades, these cultural ties have been strengthened very substantially by the multitude of connections existing between related organizations and institutions. Such connections stem from a spontaneous desire to maintain contacts and co-operation with colleagues, and from a conscious urge to promote common interests by acting together whenever possible. In recent years, governmental authorities have been giving support to this cultural co-operation, either directly or indirectly, in the realization of its far-reaching importance to Scandinavian co-operation in all other fields.

The ramifications of the network of cultural connections throughout Scandinavia are so extensive that it can be described only in a very broad outline, but even such a summary review will reveal the surprising scope of achievements in this field. Wherever cultural activities exist on an organized basis, Nordic co-operation is sure to be found. Such widespread cultural activity is, of course, only possible where languages, as in Scandinavia, are more or less similar.

SCHOOLS AND UNIVERSITIES

Large congresses are regularly held for teachers from all types of schools, ranging from primary schools to the many vocational and specialized schools in which modern society abounds. In between these big meetings, held at intervals of one or two years, the leaders of the various teacher organizations keep in permanent touch and meet for frequent consultation. Other forms of co-operation are organized by individual schools, who maintain numerous contacts and sponsor exchanges and other forms of practical collaboration.

The tradition of co-operation among scholars, universities, and other institutions of advanced learning is more than a hundred years old, and its scope is still expanding (see p. 25). The heads of universities and colleges hold group meetings at regular intervals to discuss educational problems while the individual faculties, departments, and institutes are engaged in a multitude of current activities, from the exchange of lecturers and of experts to judge upon the qualifications of candidates for professorial posts, to the loan of literature and other educational material. The professional conferences held by teachers of the same subjects are a very valuable feature of co-operation.

Equally important are the personal contacts of individual scholars at congresses or in purely professional associations. In the borderline between learned societies and the organizations which look after the economic interests of members are a variety of professional associations for government officials, doctors, dentists, pharmacutists, economists, lawyers, architects etc. These organizations, too, carry on extensive co-operation across the frontiers.

Scientific institutes and associations as well as professional organizations often publish books and periodicals, printed in one or two of the major languages, for the

whole of Scandinavia. The practice of producing text books by co-operation among Scandinavian scientists, for use in all institutes of higher education in Scandinavia, is becoming more and more general. As a result of the similarity of the languages, the contributions of each writer can be printed in his own language, whether Danish, Norwegian, or Swedish. Also text books printed in only one of the Nordic languages are used to no small extent in several of the countries.

Students of the Scandinavian universities have maintained connections ever since the early days of Pan-Scandinavianism. While originally these relations were purely social or inter-political, the students are now mostly interested in expanding intra-Scandinavian educational facilities through the planning of curricula, mutual recognition of degrees, provision of scholarships, low-cost travels, etc.

A remarkable innovation in academic co-operation was the establishment of the so-called Nordic Summer University, which is held for three weeks every year. The Scandinavian countries are, in turn, the hosts to such meetings. The object of the Nordic Summer University is to provide older students and young professional people with opportunities to meet in stimulating discussions of the general problems of their professions and their relation to modern cultural and social life. In this way it is hoped to counteract the growing tendency towards specialization of university studies and, at the same time, to extend the horizon of the academic world and strengthen the position of Nordic scholarship.

Apart from universities and professional schools, a growing number of institutes are being established where practical and scientific objectives are combined. These institutes, likewise, maintain effective co-operation in such branches as the study of place names, folklore, geology, meteorology, geodesy, technology, and a host of other subjects.

Similar co-operation exists among archives, libraries, and museums.

Adult education for young people past the compulsory school age plays a prominent rôle in all of the Scandinavian countries. Apart from the folk high schools, this work is carried on especially by private organizations which arrange lectures, seminars, and courses, and publish the necessary text books. Some of these organizations are political, others non-political, but they all seek inspiration for their work by arranging Scandinavian congresses for their teaching staffs and by exchanging lecturers and educational material. The Nordic organizations for adult education also sponsor joint Scandinavian courses at Geneva and in England.

Information about each of the Scandinavian countries is disseminated abroad by cultural institutes such as The Danish Institute (Det danske Selskab), The Swedish Institute (Svenska Institutet), the Norwegian Office of Cultural Relations, and by the national travel associations. These organizations co-operate in order to attain maximum benefit from the relatively limited funds which each country can afford to spend for such purposes.

THE ARTS AND LITERATURE

Nordic co-operation in arts and letters has been particularly successful. One organization, the Nordic Council of the Fine Arts (Nordisk Kunstforbund), which was established in 1945, has won special recognition. During the first 10 years of its existence, it arranged exhibitions in all the Scandinavian countries. In 1955 it held its first exhibition outside Scandinavia, at Rome, where a wide selection of Nordic art from the first half of the 20th century was shown. At the same time, a large travelling exhibition of Scandinavian design was shown at museums in the United States and Canada.

The theatre world, too, has large Scandinavian organizations which hold congresses where theatre directors, actors, stage managers, dramatists, reviewers, etc. meet at regular intervals, while a joint theatre committee maintains contact between congresses. Furthermore, theatre managers and actors have their own Nordic councils. As a result of the similarity of the languages, guest performances are quite frequent, not only at the large national theatres but also at leading private theatres in and outside the capitals, and events in the theatre world in one country attract considerable attention in the other Scandinavian countries.

The national associations of musicians are affiliated with the Nordic Union of Musicians (Nordisk Musikerunion). The national associations of composers also maintain a joint organization, the Council of Nordic Composers (Nordisk Komponistråd), which arranges regular "musical weeks". A Scandinavian union has been established to protect the rights of composers, and music publishers likewise have their own body for Scandinavian co-operation. Finally, choral societies often meet for large Scandinavian song rallies.

Authors, translators and publishers have also established Scandinavian councils or federations, as have dramatists and authors and composers of musical shows. Likewise second-hand booksellers, and associations for the promotion of printing and book craft have each their own organs of co-operation.

PRESS AND RADIO

For more than half a century, journalists and publishers have held Scandinavian press meetings, and their leaders meet for annual consultations between congresses. Journalists and newspaper publishers have their own Scandinavian associations, and the national news agencies maintain very close contacts.

The Scandinavian broadcasting corporations hold frequent meetings between the heads of administration and chiefs of programmes and of technical divisions. The results of these contacts are often reflected in the radio programmes of the individual countries. Again, language affinities make possible practical co-operation in radio and television broadcasts (see p. 123 f).

RELIGIOUS AND SOCIAL ORGANIZATIONS

The fact that the Scandinavian peoples share a common outlook on life makes possible a fruitful co-operation among churches and religious and humanitarian organizations. The ministers and bishops of the various countries hold regular meetings. Seamen's missions and seamen's churches in large seaport towns all over the world minister to the needs of the many Scandinavian seamen in foreign ports. Missionary work among the heathens is co-ordinated by the Nordic Missionary Council (Nordisk Missionsråd), while individual branches of this work have their own organs of collaboration. Similarly, leaders of Christian denominations other than the Lutheran Establishment hold group meetings and congresses and publish common periodicals. This is also true of anthroposophists, spiritualists, theosophists, etc.

Organizations formed to combat such scourges as polio, cancer, and tuberculosis, give advice and assistance to each other. Pacifist societies co-operate in their war on war, as do temperance organizations in their fight against alcoholism. Women's clubs and youth organizations, political as well as non-political, also pursue their ends in close contact with similar organizations in the other Scandinavian countries. The same is true of the movements to further the United Nations, One World, and European Unity; also the national UNESCO commissions join forces to solve common problems. The

extensive co-operation in sports and athletics ranges from individual sports to joint preparations for Scandinavian participation in the Olympic Games.

THE NORDEN ASSOCIATION

The Norden Association, with a membership of more than 120,000, plays a very important role in Nordic cultural co-operation. Each of the five countries (plus the Faroe Islands) has its own independent national Norden organization but the aim of all six, as set forth in their statutes, is the same. Their current activities are conducted in close daily contact along lines laid down each year at joint meetings of their governing boards. The Norden Association has about 500 local branches spread all over Scandinavia. The Association, which receives no subsidies from the states, has many prominent representatives of the intellectual, social, political, and economic life on the governing boards.

The aim of the Norden Association is to promote Scandinavian co-operation in all fields, and it deserves a very large share of the credit for the impressive results achieved during the past generation. Where problems can only be solved through government intervention, the Norden Association endeavours to interest public opinion, thereby exerting indirect influence on the solutions. In cultural life, on the other hand, the Norden Association works directly with the problems and has introduced many forms of cultural co-operation between the Scandinavian peoples.

Each of the national Norden Associations publishes periodicals with information about the sister countries and about Scandinavian co-operation and its problems; lectures given in local branches serve the same purpose. Some of the national associations send annual gift books to their members, either a pictorial work with the texts

printed in the language of the country from which the individual picture comes, or a novel from one of the other Nordic countries printed in the original language. Such publications play an important rôle in the efforts of the Norden Association to promote understanding of the several languages. Although the Danish, Norwegian, and Swedish tongues are similar in many respects, a small initial effort is needed to get accustomed to their somewhat dissimilar pronunciations and orthographies as well as certain words peculiar to each language.

The Norden Association has therefore given special attention to language instruction in schools for both children and adults. It has persuaded the governments to grant appropriations for exchange of teachers or for visits by itinerant teachers from the other Scandinavian countries. Such grants are administered by the Association, which also prepares a variety of educational material, arranges courses for teachers and visits for school children to places of geographical or historical interest in the sister countries. Pen friendships between children and young persons are also organized systematically.

REVISION OF TEXTBOOKS

One initiative taken by the Norden Association has attracted world-wide attention. In the middle of the 'thirties the Association initiated a thorough revision of all history textbooks used in Scandinavian schools. Experts from each country studied what the textbooks had to say about their own countries and in a special publication explained all the mistakes, omissions, and misunderstandings they had found which were due either to ignorance of newer research or to a nationalist tendency to extol the author's own country or to criticise the other countries in an unfair or unhistorical manner. In cases where research had not yet led to undisputed



When in 1814 the King of Denmark—Norway was forced to surrender Norway to the Swedish king, the Norwegians refused to recognize this decision. At Eidsvoll on 17 May 1814 a national assembly gave the country a constitution. Later in the year the Norwegians agreed to a union with Sweden which gave the two countries a common king and common foreign policy.



Among the pioneers of Scandinavian cooperation were the natural scientists of the Nordic countries who from 1839 met at congresses to exchange ideas and establish contacts. As an invaluable basis for their efforts there was the community of language of the Danes, Norwegians and Swedes. This cooperation which started more than a century ago has progressed without interruption and today covers every field of academic activity. The painting by the Danish artist Erik Henningsen, dating from 1896, represents a group of the most prominent Nordic men of learning assembled in front of the cathedral of Roskilde in Denmark at the Scandinavian scientific congress of 1847.

evaluation of circumstances, events or persons, the experts suggested that authors of textbooks and teachers should point out the divergent opinions on such problems. In order to facilitate the implementation of this suggestion, the Norden Association publishes brief resumés of such controversial issues.

Following this initial analysis of textbooks in the 1930s, the expert committees of the Norden Association have reviewed the manuscripts for all subsequent textbooks, calling the attention of the authors to mistakes or omissions. The utilization of this criticism is completely voluntary, but publishers as well as authors have been glad to accept the assistance offered by the Norden Association. The shortcomings of manuscripts are seldom if ever caused by any deliberate wish to give a one-sided picture but rather by bad habits or inadequate knowledge.

This revision of textbooks has awakened interest beyond the borders of Scandinavia. After the Second World War the method was adopted by groups in Germany and Great Britain who undertook a revision of their history textbooks. In 1950, UNESCO published a book by Hakon Vigander of Norway, "Mutual Revision of History Textbooks in the Nordic Countries". In the introduction to the book UNESCO pointed out that the Scandinavian revision was based on the three main principles for improvement of textbooks: it was international, it was mutual, and it was positive as well as critical. In view hereof, UNESCO felt that the Scandinavian endeavours should be brought to the knowledge of all interested governments and persons.

The Norden Association has also revised geography textbooks, but here the problems were not so great.

THE FRIENDSHIP TOWNS

One aspect of the activities of the Norden Association has become of particular significance because it has created personal contacts in wide circles in each country and helped to extend their knowledge of each other. This is known as the Friendship Town arrangements between local branches in the various countries.

For example, a Swedish local branch covering a town and the surrounding district may conclude friendship agreements with local branches in each of the other countries, and the latter branches, in turn, conclude friendship agreements with each other. Such friendship circles frequently comprise towns in four, and sometimes in all five countries. The Norden Association has succeeded in almost every case in persuading the municipal authorities to conclude similar friendship agreements with the parallel authorities in the friendship towns.

Co-operation among friendship towns takes the form of exchanges between persons with common interests, e. g. artisans, tradesmen, farmers, teachers, Rotarians, Odd Fellows, boy scouts and girl guides, housewives, sportsmen of all categories, chess players, etc. School children visit each other in their holidays (or during the school year, in which case they attend classes in the schools of the friendship town); exchanges of teachers are organized by local education authorities; ministers preach in each other's churches, and local government officials pay study visits to each other.

The most significant aspect of these exchanges is that the visitors are housed in the homes of their colleagues. This not only reduces the cost of the trips but — and more important — the visitors get to know their hosts in their own environment, thereby coming in much closer contact than would be possible in any other way.

As a friendship arrangement between a group of towns

gathers momentum it takes up an increasing variety of activities. Mutual presents of literature are made to libraries; local newspapers regularly carry news items about events and persons in the friendship towns; when jubilees and other festivals are celebrated, official representatives are invited from the friendship towns; streets are named after the friendship towns and their coats of arms are hung in the assembly room of city halls; in travelling exhibitions, subsidized with municipal funds, works of art, manufactures or informatory material about the friendship towns are displayed.

The friendship arrangements have broken new ground by bringing ordinary people from all sections of the community into direct and personal contact. This of course would not be possible without the language affinity which enables men and women with no secondary school education to understand each other without too much difficulty, each using his or her own language. Previously such personal contacts were confined mainly to academic and professional groups who met at large Scandinavian congresses. In other groups contacts were mostly confined to organization leaders who met for consultation. The friendship arrangements have made it possible to widen the scope of contacts between the Nordic peoples to an unprecedented extent.

THE GOVERNMENTS AND CULTURAL CO-OPERATION

Most of the cultural co-operation was originally organized through unofficial bodies and, to a very great extent, is still carried on by private initiative. In very limited fields governmental authorities have introduced such co-operation themselves, but normally they have only made relatively small grants available for this work to institutions which are direct public responsibilities, such as schools, universities, theatres, etc. In this respect, how-

ever, a change is taking place; the first meeting of the Scandinavian Ministers of Education was held just before the Second World War and similar meetings have since taken place every second or third year and will in future occur more frequently. At the meeting held in 1946, the Ministers set up the Nordic Cultural Commission (Nordisk Kulturkommission) to advise the governments and prepare for action in matters involving all cultural co-operation.

The governments of each of the Scandinavian countries appoint a maximum of 6 members to cover the following three sections: academic and scientific matters, educational matters, and adult education and arts. A chairman and a secretary general are appointed for the whole Commission, while each individual section has its own chairman and secretary. The objectives of the Commission are pursued through meetings of the individual sections and through plenary sessions. The Commission is responsible to the governments, and these submit its reports to the Nordic Council. Likewise, the governments may ask the Commission to investigate and to report on problems which the Nordic Council has referred to them for solution.

The establishment of the Nordic Cultural Commission has resulted in a useful concentration of the work of public authorities in the many fields involving cultural co-operation. Since the Nordic Council was established, this body has also devoted considerable attention to cultural problems (see p. 118 ff).

CHAPTER III

LEGISLATIVE CO-OPERATION

When the ancient laws, which had been handed down by word of mouth, were codified for the first time in Scandinavia (in the provincial laws from 1100—1200), they bore witness to the wide extent of unity in Scandinavian law. It is true that the three Nordic kingdoms consisted of many provinces and that each province had its own lawbook which, in practical details, might differ from that of other provinces in the vast Scandinavian area with its wide regional variations in nature and way of life. But the principles forming the basis of the provincial laws, and a great many individual provisions, were common to all the Nordic peoples.

These Medieval provincial laws were the foundation of the ensuing continuous and harmonious development of law-making in Scandinavia, where Roman law has never exerted any major influence. Consequently, the national — and Nordic — character of the legal system remained intact throughout the centuries.

The Scandinavian unions established towards the end of the Middle Ages did not materially change the course of the legal system inasmuch as all these unions were formed on the explicit condition that no law "could be drawn from one country into the other". But after 1520, when Scandinavia was divided up into two parts, the unification of the legal systems inside these two groups made rapid progress.

More and more, the new Danish laws were accepted in Norway, and when the first national Statute Book for Norway was compiled in 1687 it was based in all essential respects on the corresponding slightly older Danish Statute Book, the old-established principles of Norwegian law being applied only to purely local affairs such as land legislation.

Unity of law, based on a common Statute Book, had existed in Sweden and Finland ever since the end of the Middle Ages. A new Statute Book of 1734 became of special importance to Nordic unity of justice in that it remained the national law of Finland even after that country was separated from Sweden, thus keeping Finland within the Scandinavian orbit even during the Russian period.

Despite uniformity in basic principles, divergent trends in the application of those principles in Denmark-Norway and Sweden-Finland were inevitable, especially since neither side gave any thought to the administration of justice as practised by the other side. When Finland was separated from Sweden in 1809 and Norway from Denmark in 1814, and as the new Swedish-Norwegian union did not encompass legislation, these divergent tendencies inevitably became stronger.

When the Pan-Scandinavian Movement was in the ascendancy in the 1840s and 1850s, Nordic unity in legislation was one of the points placed on its programme. The first practical result of co-operation in this field came in 1861 when Denmark and Sweden agreed to carry out judgments in civil cases pronounced by the courts of either country.

It was not, however, until after the failure in 1863 of the efforts to establish a military alliance that real progress in legislative co-operation was achieved, urged on by some of the leading men from the heyday of Pan-Scandinavianism. University professors, judges, lawyers, and government officials met for a large conference in 1872 and, with few interruptions, such conferences have

been held regularly up to the present day. The aim of the meetings has always been the same as that proclaimed in 1872: to achieve the greatest possible uniformity in legislation, with due regard to national and local conditions.

IDENTICAL NORDIC LAWS

Uniformity in bill-of-exchange legislation was one of the subjects discussed and advocated by the congress in 1872. A few years later the governments of Denmark, Norway and Sweden set up commissions to draft proposals for new bill-of-exchange laws. When proposals were tabled in the parliaments in Copenhagen, Oslo, and Stockholm, they were adopted by them all. This first joint Scandinavian law received the royal assent in all three countries on the same day, 7 May 1880, the kings of Denmark and of Norway-Sweden signing identical acts. This legislation was the first step in a field of Scandinavian co-operation which, during the 75 years that have since elapsed, has proved very fruitful, and which is still developing.

The endeavours for Scandinavian unity have influenced the laws of Denmark, Norway, and Sweden more than those of Iceland and Finland, inasmuch as those two countries did not become really active in this work until they acquired full sovereign status after the First World War. Since about 1930, Finland has taken a particularly active part in this collaboration.

The greatest results of this legal co-operation have been attained in the law of property, the law of persons, and the domestic relations law. Extensive conformity has, thus, been secured in legislation concerning the sale of goods, instruments of debt, installment buying, contracts, commission, commercial agents, commercial travellers, and other relations coming within the orbit of the

law of property. Common legislation has also been enacted for bills of exchange and cheques, trade marks, trade registers, partnerships, delegation of authority, and insurance contracts. Maritime law with its many rules for vessels, shipowners, charter parties, average, etc. is another example of Scandinavian co-operation, as also are the Seamen's Act and the Aviation Act. The laws on marriage, its dissolution and legal consequences, the rights of the surviving spouse to inherit and retain undivided possession of the estate left by the late husband or wife, and the legislation on minors, guardianship, and adoption are very similar in the Scandinavian countries.

Many of the old laws which were the result of the first collaboration in this field have since been replaced by new legislation which has likewise been drafted by joint Scandinavian committees.

Complete identity could not be attained in all fields of the domestic relations law. In order to alleviate difficulties resulting from discrepancies in legislation, a convention on marriage, adoption, guardianship, etc. has been concluded which establishes which country's law shall apply in cases of doubt. There is also a convention for similar problems arising in connection with inheritance and division of estates. Finally, a separate convention on the enforcement of judgments involving orders to pay alimony, maintenance money, etc. makes it possible to execute such judgments all over Scandinavia.

Although, after the latest Swedish legal reforms, there are no major differences in the administration of justice in Denmark, Norway, and Sweden, Scandinavian co-operation has not been concerned with this question to any great extent. The only exceptions are the conventions which make a judgment passed in one country enforceable in the other countries as well. Such conventions even include sentences imposing fines. As a logical consequence of this, another convention establishes that if a person is declared bankrupt in one country, bank-

ruptcy proceedings may also be taken against any property he may own in other Scandinavian countries.

In constitutional law only one Act — but that a fundamental one — is a result of Scandinavian co-operation, namely the Nationality Act which is completely identical in Denmark, Norway, and Sweden. Furthermore, there is a convention which establishes the highly interesting principle that a citizen of any of the three countries who has been a permanent resident of another of these countries for at least 10 years is entitled to citizenship in the country of residence merely by submitting an application to that effect. Apart from this convention, a citizen of one Scandinavian country who applies for naturalization in another Scandinavian country in the normal way is given preferential treatment over non-Scandinavians.

Efforts to expand unity of legislation in Scandinavia are still in active progress. Among new subjects under consideration are: the responsibility of central and local government authorities for the actions of their employees; insemination; protection of names and name-giving; traffic legislation; copyright of authors, artists, and photographers; patent legislation; and the law of inheritance. Studies are also being made with a view to introducing uniform legislation on joint-stock companies and to co-operation in penal law (see p. 132 ff).

MACHINERY OF LEGAL CO-OPERATION

These efforts to create greater unity of legislation are pursued by a variety of bodies. The regular meetings of Scandinavian jurists are of great importance in that they provide strong backing by experts when new proposals are recommended. Before these meetings, the current problems are often debated in joint Scandinavian periodicals and organizations of the legal profession.

In 1946, the Ministers of Justice set up a permanent Scandinavian Committee for Legislative Co-operation (Nordisk Udvalg for Lovsamarbejde), similar to the Scandinavian Cultural Commission. The Ministers of Justice at the same time approved a programme for future legislative co-operation. The Committee, which comprises representatives of all the Scandinavian countries, is to keep current legislation in the individual countries under permanent review in order to ensure conformity with the principles of Scandinavian co-operation; to submit proposals for co-operation in new fields; to initiate joint preparation of commentaries on Scandinavian laws; and to co-ordinate Scandinavian views on subjects placed on the agenda of international conferences.

The Committee makes recommendations to the governments about the priority of existing projects or plans. Final decisions will generally be made at meetings of the five Scandinavian Ministers of Justice who will appoint ad hoc committees of experts to study the specific problems and to draft bills which the ministers will then place before their respective parliaments. There is no joint parliament to enact laws for all the countries, but in all essential respects this procedure leads to almost identical texts in the laws enacted in the individual parliaments, thereby ensuring uniform laws for the whole of Scandinavia within the fields covered by such legislation.

Since the establishment of the Nordic Council there has been a notable increase in the activity in this field. From the start, the Council has given much attention to legislative co-operation, appointing a committee of its own members to keep an eye on developments. This committee has attended joint meetings of the Ministers of Justice and the Scandinavian Committee for Legislative Co-operation (see p. 132).

THE ADVANTAGES OF COMMON LEGISLATION

The practical significance of the unification of legal provisions by several or all of the Scandinavian countries is particularly manifest in that it facilitates the intercourse between the countries in a variety of fields. To persons doing business or engaging in other forms of economic activity, and to men or women marrying in a Scandinavian country other than their own, it is reassuring to feel that they live and work under laws which are similar to those with which they are already familiar.

But apart from the practical advantages, the unity of law also serves to bind citizens of the Scandinavian countries closer together. The realization that they live under the same rules of law and order makes for increased solidarity among them.

Finally, Scandinavian co-operation in the drafting of common legislation has the great incidental advantage that each project can be assigned to the best experts from the whole of Scandinavia who bring all their experience and specialized knowledge into the work. Hence, laws enacted as a result of Scandinavian co-operation will be of a higher technical standard than could have been attained if the jurists of the individual countries had drafted them alone. This is a good example of the many advantages of Scandinavian co-operation; by combining their relatively small forces into joint action, the Scandinavian countries can achieve far greater results than by individual effort. This is particularly true of "intellectual man power".

CHAPTER IV

CO-OPERATION IN SOCIAL POLICY

The initial steps towards Scandinavian co-operation in social policy were taken in 1907, when representatives of state accident insurance for Denmark, Norway, and Sweden held their first meeting. Already the following year this co-operation was organized by formal agreement under which government officials and private experts in this branch of social insurance would meet every three years at large Scandinavian accident insurance conferences. Between sessions, which would be held in the capitals of the three countries in rotation, questions under consideration would be studied by a standing committee which would also obtain information needed to elucidate accident insurance problems, and organize the following session.

In the early 'twenties the form of co-operation adopted in accident insurance was copied by representatives of the health insurance clubs, which were private, and by the government inspectors of health insurance. In the early 'thirties the corresponding representatives of retirement and pension insurance schemes followed the example set by their colleagues in the other branches of social insurance. From 1935 onwards, the triennial meetings of the three branches were combined into a general social insurance congress, likewise held at three-year intervals. Such congresses took the form of group meetings of the individual insurance branches and plenary

sessions of the three groups. When representatives of unemployment insurance funds set up a standing committee in 1948 they, too, were admitted to the Scandinavian general insurance congresses.

Finland joined this co-operation in social policy already in 1919, while Iceland first became an active partner in 1946.

EQUAL TREATMENT OF NORDIC CITIZENS

Scandinavian co-operation in social insurance was originally inspired by the need which leading men of the various insurance categories felt for exchange of experience and mutual advice. Such interchange of information has always been, and still is, an important element of this collaboration. Before long steps were taken to improve the conditions of persons from one Scandinavian country working or staying in another Scandinavian country. Obviously, such persons were handicapped so long as they were ineligible for the various social security benefits enjoyed by the citizens of their country of residence, including old-age insurance, health insurance, poor relief, and workmen's compensation. If, for instance, a Danish worker were injured in the course of employment in Norway, he would forfeit his compensation if he returned to Denmark, and if he were killed his dependants would not get any compensation if they lived outside Norway.

Gradually, the principle of equal treatment was extended to ever wider fields of social security. Originally, the beneficiary's home country reimbursed the country of residence, but for reasons of principle as well as for practical ones, this practice was gradually discontinued. This resulted in a considerable decrease in administrative work. To-day, the system of reimbursement has been entirely abandoned.

Formerly, the payment of social security benefits to

citizens of other Scandinavian countries was conditional upon reciprocity. This did not mean, of course, that benefits had to be identical in any two countries, but if a social security benefit had been introduced in one country but not in another, the principle of reciprocity prevented the conclusion of reciprocal agreements. To-day, that principle has been abandoned (see p. 144).

In legislative co-operation the greatest possible measure of uniformity is an essential element. In social policy, on the other hand, uniformity is less important. Fiscal or economic reasons may prevent a country from introducing social security benefits which the other countries can afford. Here, the overriding consideration is not the *equality* of the social benefits but the *equal status* of all the inhabitants of any one country, whether they are citizens of that country or not.

Nevertheless, in the last few years, after the acceptance of the principle of equality in social security, suggestions have been made to grant uniform benefits in all Scandinavian countries.

PARTICIPATION BY THE GOVERNMENTS

When co-operation first began in this field, administrators of the many private or semi-private social-insurance systems could conclude reciprocal agreements on their own, but a need soon arose for participation by governmental authorities. Incidentally, officials of the government institutions supervising the various forms of social insurance had been among the most active advocates of Scandinavian co-operation. Whenever governmental participation was required, the social insurance congresses would submit recommendations to the governments.

After the First World War it became necessary for the governments to play an increasingly active rôle in social policy. The establishment of the International Labour

Office and the need for Scandinavian co-operation in social security also at the international level, made contacts between the social security authorities of the Scandinavian countries increasingly necessary. From the 1920s, therefore, officials of the various Ministries of Social Welfare began to hold regular meetings. The Ministers themselves have taken part in such meetings since 1926.

After the Second World War official co-operation in social policy has been expanded and co-ordinated. The Ministers of Social Welfare from the five countries meet every other year to reach decisions on new subjects suggested for joint consideration and to sign conventions prepared since the last meeting.

A standing Social-policy Committee, consisting of two high officials of the Ministry of Social Welfare of each country, was set up in 1946. This Committee submits proposals for new joint projects, co-ordinates all Scandinavian co-operation in social policy, organizes the ministerial meetings, and supervises the implementation of their decisions. Studies of specific questions, on the other hand, are assigned to expert committees appointed *ad hoc*.

Concurrent with this co-operation at government level, the specialists of social security departments and private organizations continue their activities and have considerable influence on public opinion in such matters.

Finally, the Nordic Council draws Scandinavian parliamentarians into direct and joint contact with these problems; they add new impulses to the work and link up the parliaments with the experts in this field (see p. 143 ff).

THE RESULTS OF THE RECIPROCITY ARRANGEMENTS

The efforts made over the years to attain reciprocity in social security benefits have paid off in the form of

impressive results. It is, in fact, no exaggeration to say that today it is immaterial for the enjoyment of social security benefits whether a Scandinavian lives in his own country or in any other Scandinavian country.

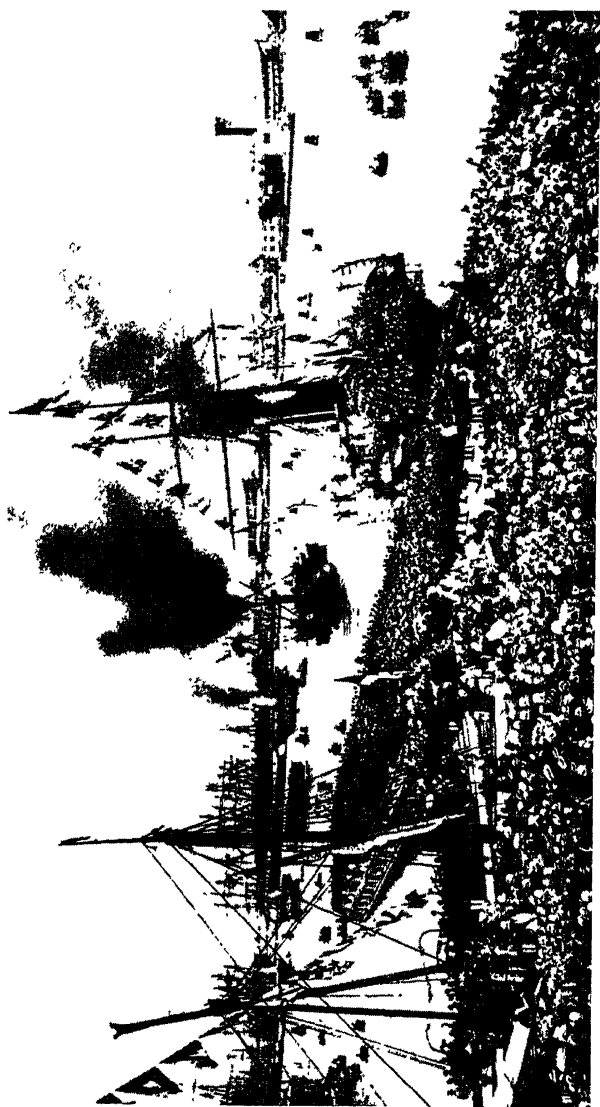
Thus, a citizen of one Scandinavian country who finds himself in financial distress during a stay in another Scandinavian country is eligible for social security benefits on equal terms with the nationals of the country where he happens to be staying and need not fear expulsion for his indigence. The laws of the individual countries make the employers responsible for workmen's compensation insurance, but Scandinavian conventions further contain provisions for payment of compensation and relief even if the beneficiaries are no longer staying in the country where the accident occurred and where the insurance company which is responsible for the payment is domiciled. This is an important improvement on the original rule which made residence a condition for payment of compensation or relief. Similar principles have later been incorporated in ILO conventions, but the rules in Scandinavia are more liberal than the international rules. Incidentally, Scandinavian insurance companies maintain administrative co-operation which enables beneficiaries to draw their compensation or relief from another country through the accident insurance administration of their own country.

A worker who finds employment in another Scandinavian country may transfer his membership of his national unemployment insurance to a similar unemployment insurance fund in the country where he settles. There are no conditions other than that of having obtained employment in the country of residence. After 2-4 weeks' membership, he may draw unemployment relief if he loses his job. If and when he returns to his home country, he is immediately reinstated with all his rights in his former unemployment insurance fund.

Rules similar to those adopted for unemployment in-



Around 1840 Scandinavian ideas gained a secure foothold in the universities of the northern countries. The movement had as its main objectives a defensive alliance of the three states as well as the establishment of a common dynasty. King Oscar I of Sweden and Norway was not averse to the idea of uniting the three crowns of Scandinavia in his own person and he openly showed his sympathy for the Nordic Students' Movement. In 1856, during a reception of the participants in a Students' Congress at the Palace of Drottningholm in Sweden, he pronounced the famous words: "From now on war between the Scandinavian brothers is impossible." In 1867 the Danish painter Constantin Hansen depicted the meeting between the King and the representatives of the students.



insurance have been introduced with respect to membership of health insurance clubs. Any Scandinavian settling in another Scandinavian country can transfer his health insurance to a club in the new country and back again without at any time losing the protection of such insurance, thus avoiding the normal waiting period for new members. Moreover, persons whose age or health at the time of change of domicile renders them ineligible for *new* membership, can transfer their old membership to a similar club in the country of residence in exactly the same way as they could to another club in the home country.

Under the latest reform in this field (1954), a member of a health insurance club staying temporarily in another country — for instance travelling or holiday-making — can obtain medical aid, ambulance transport and hospitalization from the health insurance club of the locality where he needs such aid and under the same rules as the members of that club. In such cases, there is, likewise, no reimbursement of the aid extended.

Not all the Scandinavian countries have introduced universal disablement insurance, but where it exists citizens of other Scandinavian countries enjoy the same benefits as citizens of the country of residence, despite the fact that the countries without disablement insurance cannot reciprocate such benefits.

Sweden, Norway, Iceland, and Finland pay general children's allowances to resident citizens from all Scandinavian countries — including Denmark, although such allowances have not yet been introduced in that country.

The students' Pan-Scandinavian feeling found its strongest popular support in Denmark, above all with the National-liberal middle-class of Copenhagen who turned out in large numbers to cheer the participants in the students' congresses who in the hey-day of the movement met in the various capitals of the Nordic countries. The picture opposite is a reproduction of a contemporary print showing the Norwegian and Swedish students leaving the harbour of Copenhagen in paddle-steamers after the congress of June 1862.

Conventions have also been concluded on mutual maternity benefits, i. e. benefits allowed in connection with pregnancy and childbirth.

Over the years, many Scandinavians have settled in a Scandinavian country other than their own without applying for nationality in the new country. Apart from not being eligible to vote, they enjoyed equal status with the citizens of the country of residence until they reached the age where they could no longer support themselves. As aliens they were not entitled to old-age pensions. To such persons who had been away from their native country for perhaps a generation, the idea of returning to the old country and of severing all their life-long connections was generally out of the question. Normally, the only alternative was to apply for poor relief, which was extended to citizens of other Scandinavian countries, especially if they had lived in the new country for many years. In this important field, too, a reciprocal arrangement has been introduced which has helped many old people (1949). A person who has lived in a country for five consecutive years prior to attaining pensionable age may draw old-age pension in the same way as the citizens of that country.

A COMMON LABOUR MARKET

The primary purpose of all these mutual social security arrangements is to aid Scandinavians who have already settled in a Scandinavian country other than their own. An important secondary purpose is to encourage Scandinavians to seek employment outside their home countries in furtherance of the deliberate efforts which have been made since the Second World War to create a common Scandinavian labour market.

During the war Sweden exempted Scandinavians from the obligation of aliens to apply for working permits,

partly in order to assist refugees from the sister nations and partly because Sweden needed manpower to replace the many persons called up for military service. After the war this practice was continued because the heavy shortage of labour in Sweden persisted.

In 1945, a convention establishing intra-Scandinavian labour exchanges was concluded. The most important provision of this convention, which was inspired by the Swedish arrangement, was to abolish working permits for citizens of the contracting states. However, only Denmark and Sweden ratified the convention (in November 1946); Finland and Norway both felt unable to join at the time, because they were both heavily engaged in tremendous reconstruction programmes and labour was scarce in both countries. The authorities of Finland and Norway, therefore, feared that in a free Scandinavian labour market far too many workers would be drawn to Sweden where the supply situation during the early post-war years was much better than anywhere else in Scandinavia.

With the gradual return to normal conditions the attitudes of the two countries changed. In response to strong recommendations from the Nordic Council, all the Scandinavian countries except Iceland signed a new convention which came into force on 1 July 1954, abolishing working permits for wage earners in all the signatory countries. Self-employed persons and professional occupations were not covered by the convention.

This convention is based on the assumption that the labour exchanges of the various countries will keep in close contact with each other, ordinarily by telephone, in order that as many transfers of manpower as possible from one country to the other may be effected through official channels. The convention also contains provisions for exchange of information about the labour markets of the participating countries, and a committee consisting of two government representatives from each country

has been appointed to keep developments in the labour market under constant review. In reality, however, events have taken quite a different course. Nearly all of the 110,000 workers who have found employment in another country — especially in Sweden, where about 90,000 Scandinavian aliens were employed in the spring of 1957 — set out on their own and got jobs without governmental assistance. This is an encouraging indication that the integration of the Scandinavian labour market is making good progress.

A common labour market is an obvious advantage to economic life. Industries needing manpower can get it more easily from a large than from a small area. Similarly, it is easier for workers to find employment when they are not confined to their home labour market. Moreover, the differences in the economic structures of the Scandinavian countries make for different tendencies in the supply and demand of labour. For example, there is usually ample employment to be found in Swedish and Norwegian forests and factories when economic activity is low in Denmark.

But the common labour market also has a more ideal significance.

Before the First World War Scandinavian workers spent their *Wanderjahre* "a-roaming" through Central Europe, France, and even Italy. These roving craftsmen wanted to extend their horizons, to gather experience in their respective trades, and to see new lands and cities, and their wanderings were a source of great vocational and personal enrichment. The outbreak of war in 1914 put an end to their travels, and it has never been possible to resume them. Today workers are no longer welcome in Europe except as tourists; instead, the free Scandinavian labour market has been opened up to Nordic youth. The free labour market is also a natural prelude to the time when not only workers but also commodities will move freely inside Scandinavia.

CO-OPERATION IN ACCIDENT PREVENTION

Another aspect of Scandinavian co-operation in social policy is the contacts existing between institutions for accident prevention. This co-operation dates far back, but in 1927 it was organized on definite lines. The ordinary factory-inspection authorities now meet at conferences held in each of the countries in turn every four years, while the chiefs of the government factory-inspection services meet for annual consultation. Special committees are set up to study specific problems, and publications and information about new protective devices and current research are regularly exchanged.

In all essentials, the legislation on accident prevention is based on identical principles, but in the practical details there are many dissimilarities. No systematic attempts have been made to co-ordinate this legislation, but whenever laws are revised, experience gathered in other Scandinavian countries is taken into account. Efforts are also made to co-ordinate the regulations governing the protective measures prescribed for dangerous machinery, tools, boilers, etc. One of the advantages of this work is that manufacturers who comply with such regulations in their own country may count on having their products approved by the authorities of the other Scandinavian countries (see p. 145).

This co-operation also extends to various bodies and laboratories concerned with sanitation in industrial plants, under the supervision of government factory-inspection services.

CHAPTER V

CO-OPERATION IN HEALTH SERVICES

Already in the early part of the present century the similarity of social conditions in Scandinavia paved the way for co-operation in health services. The growing specialization in medical science and hygiene makes increasing demands on laboratories, institutes, and technical equipment. The small Scandinavian countries, therefore, have to pool their limited human and material resources in order to utilize them as efficiently as possible.

In the chapter on Cultural Co-operation reference was made to the close contacts existing between general and specialized professional and scientific organizations in the many branches of the health services, to cooperation among the scientific institutions, and to the publication of common scientific periodicals for Scandinavia. On this foundation, it has not been difficult to establish co-operation also between the various agencies of the public health services in the Scandinavian countries.

In 1929, the heads of the national Boards of Health decided to meet in annual conference to exchange information, and plan joint projects. Since then, these conferences have had great influence on the health services of the individual countries and on their co-operation in this field. Furthermore, the annual conference decides the common lines to be followed by the Nordic countries in the World Health Organization (W. H. O.).

This co-operation in health services takes a variety of forms and covers many fields.

Impressive results have been achieved in the drafting of a pharmacopoeia, i. e. a book of standard formulae for the composition of pharmaceutical preparations. When this co-operation started in 1923, it aimed only at making the national pharmacopoeias more uniform, but later it was agreed that endeavours should be made to produce a common pharmacopoeia for the whole of Scandinavia. A preparatory body, the Scandinavian Pharmacopoeia Council, was set up in 1948 with common management, secretariat, and research laboratory. Experts have reached full agreement on the principles of the pharmacopoeia and are now working out the details. It is expected that the work will be completed by 1960. When the Scandinavian pharmacopoeia has been published, the validity of medical prescriptions can be extended to the whole of Scandinavia, an objective which the rapid expansion of inter-Nordic travel has made increasingly desirable.

Foodstuff controls are organized jointly through the Scandinavian Committee for Standardizing Methods for Analyses of Food, which has existed since 1946. Since then it has developed a great number of methods for analysis of foodstuffs which have been adopted all over Scandinavia. Government vitamin laboratories also maintain close cooperation.

FIGHT AGAINST EPIDEMICS

Sporadic, but large epidemics of poliomyelitis have induced the Boards of Health to set up a joint committee to co-ordinate the control of this scourge. The committee consists of representatives from central health authorities and voluntary organizations. Agreement has been reached for joint utilization of equipment and of doctors, nurses and therapists with specialized knowledge

of prophylactic gymnastics. Personnel and equipment can thus be pooled for action in any country where the need arises. In furtherance of this work, identical contracts have been drawn up for Scandinavian personnel working in a country other than their own, standard equipment is being developed for use all over Scandinavia, and common principles have been laid down for prophylactic measures including research on sera against polio.

The combat of poliomyelitis is only one example — though the best organized — of concerted action to control the spread of epidemic diseases in Scandinavia. Another example of such co-operation is the exchange of data on sources of venereal diseases and on the failure of infected persons to report for continued treatment. In the frontier areas between Norway and Sweden and between Sweden and Finland authorities co-operate in the combat of contagious diseases (e. g. tuberculosis). There is also co-operation on more general lines along the two above-mentioned frontiers. Inasmuch as the inhabitants of such vast and impassable areas often have easier access to a doctor in the neighbouring country than in their own, doctors often visit patients in the neighbouring country or receive patients from that country in their own consulting rooms.

Medical laboratories maintain extensive co-operation, exchanging experience and personnel and rendering mutual assistance in the performance of tasks assigned to them, for instance during epidemics; a certain division of labour in current activities has also been introduced.

The international quarantine regulations contain provisions for neighbouring countries to establish common quarantine areas. In 1955, the governments of Denmark, Norway, and Sweden concluded an agreement establishing a quarantine area which ensures a free flow of traffic between these countries, unimpeded by any interference from the quarantine services. Persons and goods arriving

at any of those three Scandinavian countries from a number of non-Scandinavian countries will be submitted to quarantine inspection only on entering the first Scandinavian country and may then pass freely across other Scandinavian frontiers.

In countries with small populations it is difficult to provide adequate specialized training in subjects where only a small number of experts is needed. This problem, too, is now being tackled by concerted efforts. Joint Scandinavian courses have been organized in Göteborg (Gothenburg), Sweden, with support from the World Health Organization, for persons holding responsible positions in public health services, such as doctors, veterinarians, dentists, nurses, and kinesiotherapists (see p. 146 ff).

CHAPTER VI

CO-OPERATION IN TRAFFIC AND
COMMUNICATIONS

POSTAL SERVICES

A common postal service was among the proposals advanced already in the 1840s by far-sighted Pan-Scandinavianists. Their plans were not realized, but the postal services of the individual Scandinavian countries have since established extensive co-operation.

The first results came already in 1869 when Denmark, Norway, and Sweden concluded bilateral agreements for exchange of first-class mail, postal and money orders, C. O. D. mail, parcelpost and newspaper subscriptions. When the *Union Postale Universelle* was set up in 1874, Denmark could report that a postal union of the three Scandinavian countries already existed. The UPU Convention contains provision for participating countries to form smaller federations and conclude separate agreements for the purpose of introducing lower postal rates or otherwise improving their mutual postal service. The Scandinavian countries have made extensive use of this provision.

When the Scandinavian Monetary Union established a common currency value in the mid-1870s, the three countries fixed uniform rates for intra-Scandinavian mail. In 1902 they went one step further; the domestic rate for postcards and letters weighing less than 20

grammes was also made applicable to such mail for the other Scandinavian countries. (This practice had been followed for mail between Norway and Sweden since 1869).

The First World War and the depression in the 1930s upset this uniformity in postal charges. The Scandinavian Monetary Union had disintegrated and when, after 1931, the krone no longer was of equal value in all the countries, the uniformity in postal rates for the various classes of mail was abandoned and each country introduced a policy of its own. Uniformity between domestic and Scandinavian rates was, however, retained for postcards and letters under 20 grammes.

At the same time, the organizational co-operation among the managements of the national postal services was strengthened. In 1919 Denmark, Norway, and Sweden concluded a common postal convention in lieu of the previous bilateral agreements. This Scandinavian postal union concluded an agreement with Finland in 1922 and with Iceland in 1928. Finally, all five countries established a Nordic Postal Union in 1934 which, in 1946, changed its name to the Nordic Postal Association. At least once a year representatives of the postal managements of the individual countries now meet in conferences to discuss questions of common interest.

Scandinavian postal co-operation has been extended substantially since the Second World War. In 1946, the postal managements and the aviation companies in Scandinavia concluded agreements for air transportation of letters and postcards to European countries without payment of additional postage. In the same year an agreement between the postal managements of Denmark, Finland, Norway, and Sweden and the Scandinavian Airlines System (SAS) made it possible, for the first time in postal history, to forward postcards and letters weighing up to 5 grammes across the Atlantic to Canada, USA, and Central America without payment of additional post-

age. On the 75th anniversary of the *Union Postale Universelle* in 1949, the Scandinavian postal managements celebrated the occasion by introducing a new class of mail, the aerogram, which is a special type of letter carried by air to all countries of the world without additional postage.

Since its establishment, the Nordic Council has endeavoured to extend the postal unity to new fields (see p. 152-153).

TELEGRAPH SERVICES

There has been close co-operation among the managements of governmental tele-communications systems since 1915. In 1937 the five Nordic countries formed a Scandinavian tele-union. The chiefs of the tele-communications systems meet in conference every two years to discuss problems and plan further simplification and unification of their co-operation.

In the late 'twenties, the Scandinavian countries charged the same rates for domestic and intra-Scandinavian telegrams. The charges were based on gold francs, in conformity with the international telegraph regulations, but this caused no difficulties because the krone had the same gold value in all the Scandinavian countries. However, after 1931 when all the Scandinavian countries went off the gold standard and the value of the krone in the individual countries in relation to gold was no longer equal, the rates for domestic and intra-Scandinavian telegrammes could no longer remain the same in the individual countries.

Another development was more important. While the countries refrained from increasing the domestic rates in step with the rise in the gold value of francs, they increased the intra-Scandinavian rates. As a result, discrepancies between the charges for domestic telegrams and for telegrams to other Scandinavian countries grad-

ually reached considerable proportions. This marked the end of the uniformity of rates in intra-Scandinavian communications. Therefore, when the next major devaluation occurred in 1949, the telegraph managements decided to refrain from raising not only the domestic but also the intra-Scandinavian rates, while all other foreign rates were increased as a result of the soaring value of gold francs. The telegraph managements thus succeeded in preventing a further disintegration of Scandinavian co-operation in telegraphic communications.

The intra-Scandinavian telephone rates are likewise based on gold francs, but they, too, are lower than the international rates in terms of kroner. Since 1948 this applies also to radio telegrams from Denmark, Finland, Norway, and Sweden to ships at sea. On the other hand, radio telephone communications are charged at the domestic rates (see p. 153).

RAILWAYS

An organization was established already in 1874 to promote co-operation among the railway systems of Denmark, Norway, and Sweden. The railways of Finland joined this co-operation in 1924. (There are no railways in Iceland). This organization, Scandinavian Association of Railway Officials (Nordiska Järnvägsmannasällskapet), conducts valuable joint Scandinavian research work, and leading officials of the Scandinavian railway systems maintain personal contacts through it.

Another form of co-operation is even more important. The managements of the four railway systems have for many years maintained direct co-operation in a variety of fields, ranging from conferences of leading railway officials, exchanges of experts and technical studies, to joint ownership of passenger vessels.

Norway and Sweden place joint orders for freight cars and locomotives for transportation of ore, thereby reaping

the benefits of large-scale production. On several lines in frontier districts the two railway systems co-operate not only in the utilization of passenger and freight cars but also of locomotives. On the Sound between Denmark and Sweden, the Danish State Railways operate one of the two ferry services (Elsinore-Hälsingborg) while the other (between Copenhagen and Malmö) is operated by the Swedish State Railways. They also hold shares jointly in a couple of steamship companies which operate between Copenhagen and Malmö together with the ferries.

A joint Scandinavian goods tariff, with direct freight rates between a large number of stations inside the entire Scandinavian railway system, serves to simplify and facilitate intra-Scandinavian goods traffic. Similarly, joint tariffs have been in operation for passengers and luggage for a long time, and corresponding arrangements are now being organized in a number of other fields. Since 1931 the railways have jointly organized Scandinavian round trips on which very large discounts are allowed.

There is also co-operation in propaganda. In 1952, the Scandinavian railways opened a joint booking and propaganda office in New York, called Scandinavian Railways. In 1953, the travel agencies of the four co-operating railways formed the Scandinavian Railways Travel Bureau which concludes contracts with hotels, travel bureaux, and tourist agencies outside Scandinavia on behalf of the four national organizations. This joint action enables the Bureau to obtain better terms than the agencies would be able to secure individually.

TOURIST CO-OPERATION

Under this heading, and in continuation of the above regarding Scandinavian co-operation in communications and traffic, a brief account of the co-operation of Scandinavian tourist organizations vis-à-vis the rest of the

world will be appropriate. This aspect of Scandinavian co-operation is of comparatively recent origin. The Scandinavian countries used to look upon each other as competitors for the tourist trade, but in recent years the travel associations have come to understand that this conception was based on a fallacy. The gradual expansion of communications has made distances in Scandinavia shrink. To-day, the trip from Oslo to Copenhagen or to Stockholm, or from Stockholm to Copenhagen, takes one night by train and hardly two hours by air. These distances seem very small, especially to transatlantic tourists, and in many countries outside Scandinavia this area is therefore often regarded, for tourist purposes, as a single unit.

While the propaganda previously aimed at attracting tourists either to Denmark, or Norway, or Sweden, or Finland, the slogan now is: "Visit Scandinavia". Where the propaganda applies to only one of the countries the words "one of the Scandinavian countries" are added after the name of the individual country. The establishment of the joint undertaking, the Scandinavian Airlines System, with its unified propaganda activities, gave new impetus to the common tourist propaganda. In addition, there is always the important consideration that a pooling of the very limited funds which each country can spend on tourist propaganda will yield much better results than individual efforts.

Co-operation among the national travel associations began already in 1926 within the framework of the Scandinavian Traffic Committee, with joint working panel and a single secretariat. In addition to this joint propaganda, the travel associations maintain common information offices in Zürich, Rome and Frankfurt a. M. and the Scandinavian National Travel Commission in New York. The latter is in charge of funds made available by the Scandinavian states and traffic undertakings for tourist propaganda in the Americas.

The Traffic Committee has also co-ordinated many of the festivals (singing, music, ballet, and theatrical) which the countries had started individually, e. g. ballet in Copenhagen, Hamlet performances in Elsinore, Grieg concerts in Bergen, opera in Stockholm, and Jean Sibelius concerts in Helsinki. Since the summer of 1955 exhibitions of industrial design, with special attention to tourists, have been arranged according to a common plan in the Scandinavian capitals.

CO-OPERATION IN AVIATION

The most successful example of Scandinavian co-operation in the field of traffic is the Scandinavian Airlines System (SAS).

Already in the late 'thirties, the special difficulties facing aviation companies of small nations induced the national companies of Denmark, Norway, and Sweden (Det Danske Luftfartselskab, Det Norske Luftfartselskap, and A. B. Aerotransport) to open negotiations for joint action which would enable the Scandinavian countries to serve long-distance inter-continental routes, notably across the Atlantic Ocean. Immediately after the end of hostilities in 1945, the negotiations for such co-operation were resumed, and on 1 August 1946 the three aviation companies and SILA (Svensk Interkontinental Lufttrafik A. B.) which co-operated with the Swedish ABA, established a joint company to serve the Western Hemisphere. The new company, which was named the Scandinavian Airlines System — better known as SAS — opened its transatlantic service to North America in September

The meeting of the three Nordic Kings at Malmö on 18 December 1914. Christian X of Denmark, Gustav V of Sweden and Haakon VII of Norway on the balcony of the Governor's residence, receiving the ovation of the crowd.





Scandinavian Ministers assembled at Copenhagen in September 1939 From left to right P Munch, Foreign Minister of Denmark, A K Cajander, Prime Minister of Finland, R. Sandler, Foreign Minister of Sweden, H Koht, Foreign Minister of Norway, E. Erkko, Foreign Minister of Finland, J Nygaardsvold, Prime Minister of Norway, Th. Stauning, Prime Minister of Denmark, and P A. Hansson, Prime Minister of Sweden.



The Nordic Heads of State met at the Castle of Stockholm in October 1939 to demonstrate the solidarity of the Scandinavian countries with the people of Finland From left to right King Haakon VII of Norway, King Gustav V of Sweden, President K. Kallio of Finland and King Christian X of Denmark and Iceland

1946; a service to South America was opened in November 1946.

The scope of this co-operation was limited to transatlantic services, while the three companies were competing keenly for European traffic. They served parallel routes and maintained separate offices, organizations, and propaganda services. This financially untenable situation was brought to an end on 18 August 1948 when the three companies established a new company for co-operation in European services, parallel to the SAS. The new organization was named ESAS. When it was found that even this arrangement was not sufficiently effective, the parties agreed to reorganize the SAS into a really unified undertaking. After negotiations in which the three governments took part, an agreement — to remain in force until 1975 — was signed on 8 February 1951.

Under the terms of the new agreement, the three national companies assigned the operation of all such routes as the parties could agree to open, to one jointly-owned trust company. The total capital of the reorganized SAS was about 210 million Danish kroner to which the three governments subscribed one half, the other half being provided mainly by large banks, industrial undertakings and shipowners. Up to a certain limit, the governments also agreed to underwrite operating losses, if any. This guarantee, originally given for 5 years, was prolonged in 1955. To date it has not been necessary to invoke it.

The governments also agreed that their inspection services for aviation would exercise joint control over the activities of SAS and that flying certificates for the Scandinavian crews would be valid in all of the three countries.

SAS, which has now taken over all the activities of the national companies, is managed by a Board of Governors consisting of the boards of directors of the three parent companies, headed by a Chairman who is elected by each of the three countries in turn. The chairman of the three

boards of directors and one additional representative from each company constitute the Executive Committee. A General Manager and two Assistant General Managers, each representing one of the three countries, are in charge of current operations.

Higher officials, technical personnel, specialists, engineers, air personnel, and representatives abroad are appointed under rules designed to ensure equitable distribution of such personnel among the three participating countries. Similar rules apply to the apportionment of all rights, profits and losses among the parent companies, the proportions being two-sevenths for Denmark, two-sevenths for Norway and three-sevenths for Sweden.

At the beginning of 1958 SAS had a fleet of 59 aircraft serving 85 cities in 43 countries on five continents. In the year 1956/57 SAS' aircraft flew 360 million t/km and carried 1,396,000 passengers, 11,2 million kg freight, and 5,2 million kg mail. 61 per cent of all SAS traffic was flown on long-distance inter-continental routes and 28 per cent on European and Middle East routes. Intra-Scandinavian traffic and traffic within the Scandinavian countries represented 11 per cent. The most important route is the North Atlantic service where SAS carries about 7 per cent of the total traffic. Next in importance are the South Atlantic and Far Eastern routes and the South African route. The longest route extends over 16,500 km, viz., from Stockholm to Tokio via Rome, Bangkok, and Manila.

When SAS inaugurated its famous Polar service on 15 November 1954, this event attracted world-wide attention. Starting from Copenhagen it goes via Søndre Strømfjord on the west coast of Greenland, and Winnipeg, Canada, to Los Angeles, California. This 9,036 km. service cuts the distance from Copenhagen to Los Angeles by almost 1,000 km. compared to the route via New York. Somewhat more than two years later, on 24 February 1957, SAS started a regular Polar service between Copen-

hagen and Tokyo via Anchorage, Alaska, thereby cutting the flight distance between the two cities to 12,880 km and reducing the flying-time by about 20 hours to 31½ hours.

Obviously, the primary advantage of Scandinavian co-operation in aviation is the economy resulting from greater efficiency in organization and management. Three independent companies with separate managements, offices, workshops, staffs, and advertising departments have been combined into one organization, and routes previously covered by aeroplanes of all the three companies are now served by one company. The reserve of aeroplanes required for emergencies or peak seasons can also be less in one organization than in three separate companies.

The advantages of the SAS are not confined to the economies achieved by simplification. Without such co-operation it would not have been possible to meet the large capital and personnel requirements of a modern aviation company with world-wide responsibilities. And, apart from economic considerations, there is also considerable propaganda value in the fact that three sovereign states are co-operating as one unit.

Concessions for SAS to fly across and land in the various countries are obviously a *sine qua non* for the Company's operations. There have been many and difficult negotiations before such concessions could be obtained, and joint action by the Danish, Norwegian and Swedish Governments in support of SAS applications has proved extremely useful. This was brought out conspicuously when the ambassadors of the three countries to the United States made a common *démarche* to the United States Government to obtain permission for SAS to make Los Angeles the terminal point of the Polar service. Similarly the three governments acted together to defend the interests of SAS when the Bonn-Government in 1956 attempted to restrict the landing rights of Scandinavian planes in West Germany in favor of Luft-

hansa. In this way they succeeded in obtaining much better terms for SAS than would otherwise have been possible.

Finally, the publicity value to the Nordic countries of the SAS aeroplanes with their Viking names, Scandinavian flags and coats of arms should not be underestimated. These planes carry the name of Scandinavia to the far corners of the world, bearing witness to the enterprise, co-operative spirit and organizing ability of modern Scandinavians.

CHAPTER VII

REMOVAL OF RESTRICTIONS ON TRAVEL

With the exception of Russia, all European countries abandoned passports in the last third of the nineteenth century. Denmark, for instance, took this step in 1875. Passports were reintroduced by the Scandinavian countries during the First World War, first by Finland (already in 1914), and then by the other countries (in 1917). Before long, compulsory visas were also introduced, but after the end of the war they were soon abandoned again. Passports, on the other hand, remained compulsory up to the end of the 'twenties, notably because of wide-spread unemployment.

It was not until 1929 that all five Nordic countries agreed to abolish passports in intra-Scandinavian travel. On the other hand, they were not prepared to abandon identity papers for travellers altogether and therefore introduced the so-called Scandinavian "travel cards" in lieu of passports. In Denmark and Sweden such cards were issued at post offices or police stations; in Norway and Finland they were obtainable only from the police. A "travel card" was easy to get; neither detailed certificates nor photos were required, and the fee (25 øre or about 7 cents) was insignificant, but the card was valid for only six months.

The first relaxations in the regulations governing the travel cards came already the following year when the cards were abandoned for traffic at all the major frontier stations with the greatest number of travellers between Denmark and Sweden, i. e. across the Sound;

in 1931 they were also abolished for travellers between Frederikshavn, Jutland, and Gothenburg, Sweden. The other countries maintained the travel cards.

When the Second World War broke out the controls were tightened again. Photos were made compulsory for travel cards in the autumn of 1939. When Finland was attacked in November 1939 and Denmark and Norway were occupied in April 1940, passports and visas were reintroduced in all the Scandinavian countries. Again, after the Second World War, visas were the first to go; by the autumn of 1945 all the countries except Finland had abolished compulsory visas. In Finland they were maintained up to the end of 1949.

On the other hand, passports again proved to be long-lived, partly because of the prudence of government officials and partly because of the traditional reluctance of police authorities to give up a control on the citizens once it had been imposed. The growing impatience with this restriction which hampered travel across Scandinavian frontiers was expressed both through the Norden Association and in the press. At last the annoyance became so outspoken that the parliaments took the very unusual step of setting up a joint committee of members of the parliaments of all the Scandinavian countries — including Finland — to tackle the problem.

Already the following spring, the Committee, which had held its first meeting in November 1951, submitted a recommendation for a return to pre-1914 conditions, i. e. complete freedom from identity papers at all intra-Scandinavian frontiers. The first result of the Committee's work came on 12 July 1952 when passports were abolished for Scandinavian citizens in intra-Scandinavian traffic. At the same time, it was decided that Scandinavians could visit other Scandinavian countries for up to three months without holding a passport. Iceland, however, did not join this arrangement until 1 December 1955.

Non-Scandinavian citizens still had to produce passports both on entering Scandinavia and when they travelled from one Scandinavian country to another. There were two passageways at all intra-Scandinavian frontier stations: one for non-Scandinavians who had to show their passports, and the other for Scandinavians who could walk straight through, at most having to tell the passport officials, "I am a Scandinavian".

Luggage control was reduced to the barest minimum, consisting merely of random examinations. Currency control was also practically non-existent.

Travellers could thus pass the frontiers without being delayed by inspection of identity papers, luggage, or wallets. This abolition of frontier formalities was absolutely necessary because the number of travellers between Scandinavian countries had increased enormously, notably between Denmark and Sweden across the Sound. This confirmed the argument pressed so insistently by the advocates of freedom from passports, namely that the circumstantial and time-consuming formalities required for issuance of passports discouraged many people from travelling. This upsurge of intra-Scandinavian travel also had wider implications, especially in that it gave new impetus to plans for construction of a bridge or a tunnel to facilitate the traffic across the Sound (see p. 149).

From the very beginning, the Parliamentary Committee for Freer Communications swept aside the bureaucratic hesitancy, insisting on making the whole of Scandinavia a single unit for tourist and travel purposes. In order to reach a speedy solution to the most urgent problem, i. e. the abolition of passports, the Committee initially confined its proposal to that issue, but it kept the wider aims in view. When the Nordic Council was established six months after the abolition of passports, this larger assembly of parliamentarians wholeheartedly endorsed the Committee's persistent efforts to remove all other barriers to travel inside Scandinavia (see p. 161 ff).

CHAPTER VIII

ECONOMIC CO-OPERATION

The idea of economic co-operation in Scandinavia arose already in the early days of Pan-Scandinavianism. In 1843 and 1845, Viggo Rothe, a young Danish government official, published a two-volume study entitled "Denmark's Industrial Conditions, with Particular Reference to the Question of Forming Customs and Commercial Unions". Rothe's inspiration for this work derived from a study tour of the European continent. He was particularly impressed by the rapid economic expansion in Germany after the establishment of the *Zollverein* (customs union) in 1834. On the basis of his conviction that small countries without large home markets would not be able to stand up to future competition with larger countries, he urged the Scandinavian Governments to lay the foundation for a competitive economy by "a free and mutual turnover of each others' products". As a first step he proposed the removal of the intra-Scandinavian tariff walls and the introduction of a common tariff.

Although that period would have been an opportune time to realize Rothe's ideas, inasmuch as no industries of any consequence had as yet been established in any of the Scandinavian countries, his book did not attract much attention among his contemporaries.

During the following twenty years, the discussions of economic problems were more concerned with a common currency, common weights and measures, and common

postal services than with tariff unity. These were the subjects, especially the common weights and measures and the common currency, that were placed on the agenda of the first Scandinavian Economic Conference which was held at Gothenburg, Sweden, in May 1863. The Conference, which was attended by prominent economists, businessmen, and politicians, did discuss tariff problems, but not from the angle of a tariff union but rather to develop uniform principles for the national customs tariffs.

THE SCANDINAVIAN MONETARY UNION

In Scandinavia, as in other countries, the question of a currency union attracted increasing attention during the following years. The Latin Monetary Union, centered on France, was established in 1865, and the new German *Reich*, which adopted the gold standard in 1871, introduced unity of currency at the same time. Consequently, the question of a monetary union became the main theme of the two following economic conferences at Stockholm (1866) and at Copenhagen (1872).

The Conference held in 1872 urged the governments to set up a joint Scandinavian commission to study the question of a monetary union. In response to this recommendation, the three governments set up a commission of three members from each country, the Scandinavian Monetary Commission. After only one month, the Commission submitted a report urging the three countries to adopt the gold standard, introduce complete conformity between Danish, Norwegian, and Swedish currency, and permit coins from all three countries to circulate freely as legal tender in the whole Scandinavian area.

In response to the Monetary Commission's proposal, the three governments signed the Scandinavian Monetary Convention on 18 December 1872. The Danish and the Swedish Parliaments ratified the Convention in the spring

of 1873. In the Norwegian Storting it was rejected with a small majority in 1873, but the Storting soon changed its mind, and in 1875 Norway joined the Convention.

In the beginning the agreement comprised only coins of all denominations, but in 1885 the three central banks agreed to issue drafts on each other, free of interest and commission. As a result of this important step, the rate of exchange between the Scandinavian countries was constantly at par. Moreover, the central banks of Norway and Sweden agreed in 1894 to accept each other's bank notes at par value. When the central bank of Denmark joined this agreement in 1901, the Scandinavian Monetary Union was an established fact in all fields. It was very convenient for travellers, Scandinavians and non-Scandinavians alike, that notes and coins were freely exchangeable all over the Scandinavian area, and it was also a tangible manifestation of Scandinavian unity.

UNSUCCESSFUL ENDEAVOURS FOR A CUSTOMS UNION IN THE 1880S

The idea of a Scandinavian customs union was long-lived. In the 'eighties when the great Continental powers had reverted to protectionism, the debate on a Scandinavian customs union was resumed in earnest. A great Danish financier, C. F. Tietgen, was one of the most ardent advocates of a Scandinavian customs union. His principal argument — like Viggo Rothe's — was the need for the Scandinavian countries to create a large common market which would enable them to hold their own against the great industrial countries. In Tietgen's opinion, protectionism could be fought much more effectively by forming a customs union than by raising tariff walls around each country. At a large Scandinavian meeting of businessmen in Copenhagen in 1885, he summed up his views in the following words, "If we could really abolish

tariffs between the Scandinavian countries, such a measure, in conjunction with the existing common legislation and with the development of communications, would go a long way towards placing Scandinavia on equal economic terms with the big countries”.

The meeting adopted a unanimous recommendation urging the governments to set up a joint commission to consider the question of establishing a tariff union of the Scandinavian countries. In the following years, several meetings of businessmen reiterated this recommendation for a commission, but the governments took no action. Towards the end of the century, the question of a tariff union was gradually relegated to the background by the growing disagreement between Norway and Sweden over their political union and, above all, over the differences of opinion arising out of their tariff co-operation within the framework of that Union.

THE NORWEGIAN-SWEDISH INTRA-UNION SYSTEM

As a consequence of their political Union, Norway and Sweden began to pursue a common trade and shipping policy vis-à-vis other countries. This policy proved particularly advantageous to the Norwegian shipping trade. Thus, under the British Navigation Act Norwegian ships could only carry Norwegian goods to England, but now they were permitted also to carry Swedish commodities as well.

Under the so-called “Intra-Union Act” of 1825 many Norwegian or Swedish commodities could be imported into the other country at one-half of the normal tariff rates if they entered by ship, and entirely free of duty when imported overland. Apart from this rule each of the two countries could fix its own tariff rates.

More and more commodities were incorporated in the Intra-Union system. Sweden was interested in transform-

ing the system into a customs union with a common tariff, but Norway was against this policy — for political more than for economic reasons. The Norwegians felt that a customs union would entail a customs parliament which they did not want because they feared that it would strengthen the political Union of the two countries.

On the other hand, the Intra-Union system was extended in 1874, when all import duties between Norway and Sweden were abolished. This measure, which constituted a common market for the products of the two countries, was initially felt to be an advantage to both nations, and a certain division of labour between their industries resulted, notably in the textile sector. Norway manufactured coarse mercery goods in which the raw materials constituted the important element, and exported large and growing quantities of such articles to Sweden. The textile industry of the latter country concentrated its production on finer fabrics for both countries.

As long as both Norway and Sweden pursued a liberal commercial policy, discrepancies in their tariff rates caused little trouble. From the late 'eighties, however, increasingly insistent complaints were made by protectionist forces which had been gaining ground within Swedish industry. Swedish manufacturers maintained that Norwegian industries were taking advantage of the lower Norwegian tariff rates for raw materials to inflict unfair competition on Swedish industry. Yielding to hard pressure, the Swedish Government in 1895 gave notice of termination of the Intra-Union Act as from 1897. In its last phase, the Norwegians had become ardent supporters of this Act. The Norwegian manufacturers, who had feared that they would be unable to meet the competition from Swedish industries, now realized that their misgivings had been unfounded and that their access to the Swedish market had been an important factor in the development of Norwegian industries. — As was to be expected, the termination of the Intra-Union System re-

sulted in a considerable drop in the trade between the two countries. Apart from that, however, it became a contributory cause of the disintegration of the political union, aggravating the conflict which was to lead to the final break in 1905.

AFTER THE FIRST WORLD WAR

The termination of the Intra-Union system was a serious setback to the hopes for expansion of economic co-operation among the Scandinavian countries. But the idea persisted in economic and political circles, and the commodity shortages experienced during the First World War demonstrated the usefulness of Scandinavian co-operation also in this field (see p. 28).

It was against this background that the Governments of Denmark, Norway, and Sweden, in 1919, instructed the treaty commissions (which the three countries had set up to study the postwar problems of commercial policy) to appoint special committees for joint investigation of ways and means to promote economic co-operation in Scandinavia. However, the work of these committees led to practically nothing because there was no driving and unifying force behind the endeavours for Scandinavian unity in those years. In 1922 the committees ceased to hold meetings and were soon dissolved.

MONETARY UNION SUSPENDED

Scandinavian unity also suffered a setback in the field of monetary co-operation. At the outbreak of the war in 1914 the central banks of all the countries suspended the redeemability of their notes with gold. Later, they were also relieved of their obligation to buy gold at the price fixed in the Coinage Act and to coin gold for pri-

vate persons. The mutual acceptance of bank notes at par value was the next provision of the Monetary Convention to be suspended. Finally, in 1924 the last remnant of the Monetary Union disappeared when each country began to issue small coin which would only be legal tender in the home country. Different rates of exchange were introduced already during the war as a result of the suspension of the unifying provisions of the Monetary Convention. Dissimilar economic conditions and divergent monetary and credit policies were responsible for the differences in the values of the individual currencies. Moreover, the leaders of the central banks hardly realized the full importance of preserving the Monetary Union.

Yet, the Scandinavian Monetary Convention was still in existence, and Iceland joined it in 1924. Finland, which had an entirely different standard of value and very unstable monetary conditions, always remained outside. Even when the countries went back to the gold standard at the pre-war gold parity (Sweden in 1924, Denmark in 1927, and Norway in 1928) they missed the opportunity to re-establish the Monetary Union. Negotiations were opened with that goal in view, but they had not been brought to an end when the impact of the great economic crisis in 1931 again forced the Scandinavian countries off the gold standard and resulted in new differences in their exchange rates.

CO-OPERATION OF CENTRAL BANKS

Notwithstanding the suspension of the Monetary Union, the Scandinavian central banks maintain close co-operation. Their managers meet at annual central bank sessions where they discuss current problems. They also maintain close contacts in their current activities, exchange information, and co-operate wherever possible in international organizations such as the Bank for International Settlements at Bâle, the International Monetary

Fund, the International Bank for Reconstruction and Development, and the Organization for European Economic Co-operation. The Scandinavian countries are represented by rotation on the governing boards of several of these organizations where their representatives speak on behalf of all Scandinavian countries.

THE SCANDINAVIAN ESCAPE CLAUSE

All the work for Scandinavian economic co-operation in the 1920s yielded only one result, and not a very important one: in negotiations for trade agreements with other countries the Scandinavian countries endeavoured to incorporate an Escape Clause. Trade agreements normally contain most-favoured-nation clauses which bind the parties to extend to each other any concession which either of them extends to a third country. The purpose of the Escape Clause was to reserve for the Scandinavian countries the right to grant each other mutual concessions that would not automatically benefit other trade partners. Under the rules prevailing in commercial policy in those years this was the only way in which the Scandinavian countries would be able to introduce a full or partial customs union.

They did succeed in persuading several countries to accept the Escape Clause, but neither Germany, France, Italy, the United Kingdom nor the United States were among those countries; the clause was therefore not of much practical avail. Furthermore, the Escape Clause did not include Finland except in very few cases.

CO-OPERATION IN THE THIRTIES

The climate for Scandinavian co-operation became more favourable in the 'thirties, also in the economic field.

This was mainly due to the difficulties brought upon all the countries by the world-wide depression. When the Scandinavian Foreign Ministers resumed their meetings in 1932 after twelve years, the main theme of their discussions was a proposal for joint action in trade and currency problems. One of their decisions was to appoint a representative of each ministry to be in charge of mutual contacts. The common interests of the Scandinavian countries became manifest already by New Year 1933 when all the countries were faced with severe demands in trade negotiations with the United Kingdom.

NEIGHBOUR COUNTRY BOARDS

The idea of a customs union and of co-operation in commercial policy had been kept alive over the years by interested individuals, and especially by the Norden Association when that organization had been established. At their meeting in Stockholm in September 1934 the Foreign Ministers decided, in response to an appeal from the Norden Association, to set up committees in each country, which were to co-operate mutually and with representatives of business and industrial organizations for promotion of intra-Scandinavian trade and for improvement of Scandinavia's position in world markets. In the subsequent years these committees, which were termed "Delegations for the Promotion of Economic Co-operation between the Northern Countries" or "Neighbour Country Boards", took up various practical problems for consideration.

It was not until 1937, however, that the Neighbour Country Boards began to play a more active rôle. During that year the growing anxiety caused by the increasing threat of war focussed attention on the problem of securing supplies for the Scandinavian countries in the event of a new naval blockade. On the basis of experience



Athletes from a group of Scandinavian "friendship towns" at Roskilde, Denmark, during annual sports festival.



Young people from all Nordic nations at festival of the Norden Association in Copenhagen October 1956.



gained during the First World War, the Boards set up expert committees to organize exchanges of commodities and prepare a joint Scandinavian rationing system. In September 1939, immediately after the outbreak of war, the Scandinavian Prime Ministers and Foreign Ministers held a meeting in Copenhagen at which it was announced that the Nordic countries would endeavour to alleviate the difficulties arising from the war by maintaining the closest possible co-operation in as many fields as possible.

However, as Scandinavia was drawn into the conflict, nothing could come of the plans for systematic co-operation along the lines envisaged.

A COMMITTEE FOR CUSTOMS UNION SET UP AFTER THE SECOND WORLD WAR

During the war, it was possible to carry on information work on Scandinavian problems both in Sweden and Denmark, and the idea of a common market and a common trade policy gradually became the central theme of these endeavours. The idea aroused great public interest, especially in Denmark. All the arguments advanced by Viggo Rothe a hundred years, and by Tietgen 60 years, earlier, now met with much greater response. Since those times, economic and technological development had given the large industrial countries far greater competitive advantages over the small countries than anyone had ever dreamed of.

Caravelle jet planes of the Scandinavian Airlines System on a trial flight. By combining their resources in the SAS one Danish, one Norwegian and two Swedish air companies, each of them relatively small, have been able to create one of the world's large air services. In 1954 the SAS inaugurated the first regular Polar Service from Europe via Greenland to California, and two years later the SAS pioneered a similar service "over the top of the world" from Copenhagen via the North Pole to Tokyo. Despite fierce competition the SAS is a paying concern that has never had to ask for the financial support guaranteed by the states in the event of a deficit.

And now, at long last, the Scandinavian countries did what they had never succeeded in doing before — they set up a joint government commission to study the implications of a common market.

In the spring of 1948 the Governments of Denmark, Iceland, Norway, and Sweden appointed the Joint Scandinavian Committee for Economic Co-operation. Finland was not able to take part. The first task which the Committee was given was to examine the feasibility of a common Scandinavian tariff as a basis for continued efforts towards a Scandinavian customs union.

In January 1950, the Committee submitted a provisional report. In it, they acknowledged that in theory it was true that the abolition of intra-Scandinavian tariff walls and the introduction of uniform customs duties on all imports — i. e. the establishment of a Scandinavian Customs Union — would have beneficial effects on the economy of the countries involved. The advantages to be derived from large-scale production, specialization, and rationalization would be much greater if based on one large industrial market comprising the whole of Scandinavia rather than several small markets. The productive resources of the participating countries could be combined in the manner which was most natural for the individual sector of industry and this would lead to the gradual adaptation of the entire economic life to the conditions which were best suited to production. The Committee wound up the report by pointing out that the establishment of a Scandinavian Customs Union would be entirely compatible with the international plans for economic reconstruction of Europe.

NORWEGIAN MISGIVINGS REGARDING A CUSTOMS UNION

It was, however, only in principle and in theory that the Committee agreed on this appraisal of the value of

a customs union. The Norwegian members of the Committee added a rider to the effect that present conditions in Norway did not permit that country to join a customs union. They pointed out that Norway had suffered much heavier damage during the war than any of the other three countries. Therefore, Norway had been obliged to concentrate all her post-war efforts on rebuilding her merchant fleet and her export industries in order to earn foreign currency. As a result, the Norwegian home-market industries had been neglected so that even those industries which would be competitive under normal conditions were now handicapped by the lack of modern technical equipment such as the Danish and Swedish plants had acquired; they therefore could not compete with them on an equal footing in production for the common market. Under these circumstances, the Norwegian members of the Committee were forced to conclude that the difficulties which Norwegian industry would encounter in a common market would outweigh the advantages.

Notwithstanding the Norwegian objections, the Danish, Icelandic, and Swedish members of the Committee adhered to the idea of a customs union. While admitting that their countries, too, would encounter transitional difficulties in connection with a customs union, they felt convinced that such difficulties could be overcome by joint efforts.

The Committee agreed, on the other hand, that the special difficulties which the Norwegian representatives had pointed out were of such magnitude that the four countries would not be able to solve them at the present time. In its report, therefore, the Committee concluded that for the present no basis existed for a customs union embracing all four countries.

Though for the time being the way was blocked for a customs union, the efforts to bring about greater economic unity were not abandoned. On Norwegian initiative, the

governments asked the Committee to examine the feasibility of abolishing existing tariffs on specific categories of goods to be defined by joint consultation. The Committee was studying this question when the Nordic Council held its first session in February 1953 in Copenhagen (see p. 165 ff).

CHAPTER IX

THE NORDIC COUNCIL

ORIGIN AND STRUCTURE

By far the most important achievement of the past 100 years of Scandinavian collaboration — and one which assures ever-increasing activity in the years to come — was the establishment of the Nordic Council in 1952. The Council consists of members of parliament elected by their respective legislative assemblies and representatives of the governments of the five nations.

The establishment of this new body resulted in the co-ordination of already existing Scandinavian co-operation through ministerial conferences, government departments, and permanent bodies. But, above all, the legislative assemblies are now drawn into the work on a much greater scale than ever before, and consequently Scandinavian co-operation has come to occupy a central position at government level. As a result the work has been greatly accelerated by the more vigorous initiative of the parliamentarians, their singleness of purpose and their will to achieve results. At the same time, contacts are established, through the peoples' elected representatives, with a wide range of organizations in various fields, helping, directly or indirectly, to promote Scandinavian unity.

BACKGROUND OF THE CREATION OF THE NORDIC COUNCIL

The idea of a Scandinavian parliamentary council dates back to the time just before the Second World War. In

October 1938 the Danish Foreign Minister, P. Munch, on behalf of the Danish Government, suggested to his colleagues in the other Scandinavian countries that action be taken to achieve better co-ordination and planning of Scandinavian co-operation by setting up a permanent Scandinavian body to consult on all matters of common interest. Such a joint body might consist of the Prime Ministers and Foreign Ministers of the four major countries and of the Prime Minister of Iceland (at that time Denmark and Iceland had a common Foreign Service) as well as a certain number of parliamentary representatives elected by the legislative assemblies. This body was to meet for a fortnight once a year to discuss potential fields of co-operation but not to take decisions, or even to vote.

As the Danish proposal did not meet with sufficient response in all of the other countries, it could not be realized at that time. During the war, however, plans for close postwar parliamentary co-operation were eagerly discussed both in Denmark and Sweden. After the war, the plan was brought up several times both in Danish public debate and in the Danish Rigsdag. The negotiations for a Scandinavian Defence Union held in Copenhagen and Oslo in the beginning of 1949, not only between government representatives but also between members of the parliaments, gave new impetus to the plan (see page 38). Although they did not lead to any result in the concrete problem, the frank discussions made the parties to these negotiations realize the potential value of a permanent parliamentary body where members of the Scandinavian parliaments could meet for regular consultation about common problems facing the Nordic peoples and requiring solution with increasing urgency. When all the Scandinavian countries except Finland joined the Council of Europe in the spring of 1949 and took part in the consideration of important questions together with countries which were often far removed from Scandinavia, it became

evident that the time was ripe for creating a joint Scandinavian parliamentary body for consultation on matters of common interest.

ESTABLISHMENT OF THE COUNCIL

A Danish initiative was taken at the 28th delegate meeting of the Northern Inter-parliamentary Union in Stockholm in August 1951. This meeting of prominent politicians from all the Scandinavian countries unanimously endorsed the proposal to create a body of elected representatives of the parliaments which would meet for regular consultation among themselves and with the governments about questions of Scandinavian co-operation. A committee which was then set up had draft statutes for the parliamentary council ready by the end of the year.

The draft statutes were endorsed by the representatives of Denmark, Iceland, Norway, and Sweden in the various national groups of the Northern Inter-parliamentary Union and transmitted to their respective governments. The Finnish representatives refused the draft, considering the time not yet ripe for Finland to join the proposed Council.

At a meeting held in Copenhagen in March 1952 the Foreign Ministers of Denmark, Iceland, Norway, and Sweden decided to submit the proposal from the Northern Inter-parliamentary Union to the respective parliaments. The draft statutes were thereupon approved by the legislative assemblies of Denmark, Norway, and Sweden in May-June 1952. All the democratic parties in Denmark and Sweden voted for it, only the few Communist members opposing it, in that they maintained that the Council was planned as an instrument to bring Sweden and Finland into NATO and under American domination. In the Norwegian Storting, which at that time had no Communist members, most of the non-socialist members voted against it, but the draft statutes were nevertheless

approved by 74 votes to 39. Opinions were also divided in Iceland's Althing, but a large majority (28 to 7) voted in December 1952 for the proposal to join the Council.

FINLAND AND THE NORDIC COUNCIL

During the first three sessions of the Nordic Council (1953 - 54 - 55) Finland took no part in its work, but at every session hopes were expressed for her early affiliation. — The Statutes contained provision for limited participation by Finland, not involving full membership, but giving explicit access for representatives of Finland's government and Eduskunta [Riksdag] to take part in the Council's deliberations and decisions whenever they desired to do so. This paragraph, which was intended to provide for Finnish participation in the consideration of specific questions, was never applied. The Council also forwarded all notices convening sessions and all its documents to Finland's government and Eduskunta [Riksdag]. In some cases Finnish authorities also provided material for elucidation of questions taken up by the Council. Finland was also a co-publisher of a parliamentary review "Nordisk Kontakt" initiated by the Nordic Council.

Even if Finland was thus outside the framework of the Council during its first years, she took part — as shown above — on equal terms with the other Scandinavian nations, in co-operation between the governments and in the work of the permanent committees for legal, cultural, and social matters and in matters pertaining to communications.

As Scandinavian co-operation gathered momentum under the auspices of the Nordic Council, ever wider circles in Finland came to regard it as very unfortunate that their country was outside this new and important forum where leading Scandinavian politicians were establishing valuable personal contacts and where mutual connections between the states were extended on an unprecedented

scale. It was feared that — despite all wishes to the contrary in the sister nations — Finland would, *de facto*, find herself outside the pale of Scandinavian unity in its practical aspects.

By the spring of 1955 the prospects of Finland's affiliation with the Nordic Council were still meagre. The Soviet press and radio continued to launch heavy attacks against the Council, still insisting — entirely without foundation — that it was being exploited as a tool for the forces behind the Atlantic Pact. By September, however, the *détente* in the international situation was such that the Finnish government felt free to issue a declaration to the effect that they now considered the time to have come for Finland to join the Nordic Council. The necessary formalities were concluded before the end of the year. In October 1955 the Finnish Eduskunta [Riksdag] approved the Government's proposal for Finland's affiliation with the Council*).

The other four member states then adopted amendments to the Statutes which enabled Finland to become a full member of the Council, whereupon Finland, itself, passed an Act endorsing the Statutes as thus amended. At the opening of the 4th session in Copenhagen in January 1956, Finland's representatives were cordially welcomed by all the other members. The President of the Council voiced the sentiment of the whole assembly in the following words: "We have felt that a chair stood empty when Finland was not represented among us, that country which for centuries has stood as an outpost in defence of Nordic law and civilization. Only now have our Nordic ranks been closed."

*) When the Government of Finland introduced the proposal for the country's affiliation with the Council it made the following declaration: if the Council, at variance with its practice, were ever to take up questions relating to military policy or which might result in commitments in conflicts of interests between Great Powers, the representatives of Finland should not take part in the discussion of such questions.

Although the Nordic Council had not in any way changed its working methods or its aims, it was noted with satisfaction that the Soviet press and radio ceased their criticism and attacks. In accordance with this new attitude, the representatives of the People's Democratic Party in Finland's Eduskunta [Riksdag] voted for the affiliation of their country with the Council. Similarly, the Communists in the other four countries, together with all the other political parties, agreed to the amendment of the Statutes which admitted Finland to the Council. Incidentally, as a consequence of Finland's membership Communists obtained seats in the Council for first time. Since 1957 there is also a Communist member of the Icelandic delegation.

In 1955 only those statute amendments were made which were absolutely necessary in order to permit Finland to join as a full member. At the fifth session at Helsinki in February 1957 the Council passed a recommendation to the Governments to make several more amendments, most of them purely formal and none of any great importance. Bills or resolutions endorsing these amendments were passed by the Parliaments during 1957, and the new Statutes entered into effect on 1 January 1958.

THE COUNCIL'S RESPONSIBILITIES AND POWERS

The Statutes as amended in 1957 define the Nordic Council as "a body formed for the purpose of consultation among the Folketing of Denmark, the Eduskunta [Riksdag] of Finland, the Althing of Iceland, the Storting of Norway, and the Riksdag of Sweden, as well as the governments of these countries, in matters involving joint action by any or all of these countries." Thus, matters affecting only two of the countries may be dealt with by the Nordic Council. In such matters, representa-

tives from the other countries may take part in the Council's deliberations, but not in the voting.

The Statutes have deliberately been formulated in indefinite terms with respect to matters which the Council may take up for consideration. In principle, no question is excepted as long as it may be of common interest to two or more member states and may give rise to joint action. On the other hand, there is no obligation for the governments to submit any matter to the Council.

The explanatory statement to the Statutes says that the Council "... should, in principle, only concern itself with current problems, i. e. such problems as are considered suitable for immediate and specifiable action." The Council should "abstain from making declarations about future goals in respect of which no immediate measures can be proposed". On the other hand, it is stressed that there is nothing to prevent negotiations, studies or other measures from being carried out at an early stage. In other words; the procedure to be developed is left entirely to the Council's own discretion. Incidentally, experience has already shown that the members of the Council do not hesitate to submit questions for discussion even if such questions are not yet ripe for decision by the parliaments.

As its name implies, the Nordic Council is a consultative body only and cannot take any decision which will bind the individual countries. Article I of the Statutes expressly defines the Council as a "body formed for the purpose of *consultation*". The Council may adopt recommendations to the governments; such recommendations must be accompanied by information indicating how each Council member voted. On the other hand it is obvious that recommendations adopted by a large majority of the Nordic Council will carry considerable weight with the individual parliaments and governments, particularly as the political parties generally elect their leading and most influential men to the Council.

ELECTION PROCEDURE

The Council members and the requisite number of deputies are elected by the national parliaments from among their own members "for such terms and by such methods as shall be decided in each country", but the Statutes expressly stipulate that members and deputies must represent different political opinions. By and large, elections for the Council take place according to the method of proportional representation. This method ensures, *inter alia*, that opposition parties are drawn into a work which hitherto had been entirely in the hands of the governments. Though members are elected for a term of only one year, they are usually re-elected.

The rule prescribing that Council members must be elected from amongst the members of the national parliaments was adopted in order to ensure the closest possible relations between the Council and the parliaments.

The Folketing of Denmark, the Eduskunta [Riksdag] of Finland, the Storting of Norway, and the Riksdag of Sweden each elect 16 members while Iceland's Althing elects 5 members to the Council which thus has 69 elected members. Inasmuch as the Council only has advisory powers, the number of delegates from each parliament could be fixed without regard to the number of inhabitants of the member countries, thereby achieving adequate representation of the various political parties.

In addition to the members elected by the parliaments, the Council also includes cabinet ministers appointed by the governments. For each session, the governments appoint as many of their ministers as they find necessary with regard to the nature of the matters to be considered. Ministers take part in discussions in the plenary session of the Council, but they cannot be elected to committees and they cannot vote on recommendations. They may, however, be invited to attend committee meetings.

The governments have been amply represented in the

six sessions held thus far. The first session (in 1953) was attended by 15 ministers; the second (in 1954) by 24; the third (in 1955) by 22, the fourth (in 1956, when Finland took part for the first time) by 30, the fifth (in 1957) by 34, and the sixth (in 1958) by 29 cabinet ministers. The prime ministers and the foreign ministers of Denmark, Norway, and Sweden took part in all six sessions, Iceland's prime minister attended the first two sessions, and Finland's prime minister and foreign minister took part in the fourth, fifth and sixth sessions.

The rule that the government members on the Council sit in the same chamber as the parliamentary members was inspired by the unfortunate experience in the Council of Europe whose work has been hampered by conflicts between the Council's two chambers: one consisting entirely of cabinet ministers and the other entirely of elected parliamentarians. In the Nordic Council no such conflicts can arise; on the contrary, direct contacts between cabinet ministers and parliamentary representatives, especially in committee meetings, have proved mutually inspiring and brought valuable expert knowledge to the work.

FREQUENCY, DURATION AND PLACE OF SESSIONS

In principle the Nordic Council is in permanent operation, but it meets once a year for an ordinary session at a time chosen by the Council itself. Extraordinary sessions may be convened, either by the Council or at the request of not less than two governments or twenty-five members. To date, however, no extraordinary sessions have been held. Most of the ordinary sessions have been held in January or February (in 1953, 1955, 1956, and 1957). It has, however, been decided to hold future ordinary sessions in the autumn, with the last Sunday in October as the opening-date. The sixth session (1958) was postponed till the middle of November.

The Statutes contain no rules about the duration of

the annual sessions. All sessions held so far have lasted from a week to ten days.

Ordinary sessions are held in the capitals of the member countries according to the Council's decision. Rules prescribing a regular rotation have deliberately been avoided. Extraordinary sessions, on the other hand, may be held at any place which the Council may decide.

PRESIDIUM AND SECRETARIATS. FINANCE

The Statutes form the constitution of the Council. Originally approved by the legislative assemblies of the member states (by ordinary law or resolution without any prescribed majority), they can only be amended by parliamentary decision. A country wishing to withdraw from the co-operation can do so by unilateral decision. Detailed rules for the Council's work have been adopted by the Council which can amend its Rules of Procedure at will.

At the first meeting of each session a Presidium is elected to be in charge of the Council's work until the next session. The Presidium consists of a President and four Vice-Presidents, and in sessions held thus far the head of the delegation from the country holding the session has been elected President, while the leaders of the other national delegations have been elected Vice-Presidents. In the election of leaders of national delegations efforts are made to ensure representation of different political opinions in the Presidium. The Presidium has come to play an important role between sessions; it meets 4-5 times a year to co-ordinate and carry on the Council's work in accordance with the various decisions made at the previous session; it follows the work done by the governments to implement the Council's recommendations; it plans the following session and procures the necessary expert opinions. The individual members of the Presidium are responsible for the relations with their own governments; a few times

every year the whole Presidium meets for joint consultation with representatives of the governments of all the member states, especially the foreign ministers but also the prime ministers.

Each of the national delegations has a national Secretariat whose activities and mutual co-operation are conducted under the direction of the Presidium. On the other hand, there is no joint Secretariat. The Secretariats have equal status and are in close and constant collaboration. This form of work has proved effective and adaptable. In practice, most of the planning and implementation of a session has come to be the responsibility of the Secretariat in the country where the coming session is to be held but always in the closest possible contact and collaboration with the other Secretariats. Research on problems before the Council is normally the work of the government departments and usually not the responsibility of the national Secretariats.

Each country pays the cost of its own representatives and secretariat as well as expenses incidental to meetings held within its territory. Expenses which are common to all member countries are proportioned among them according to the number of members they elect to the Council.

RIGHT TO SUBMIT MOTIONS

Only governments and elected Council members have the right to submit matters to the Council. Several governments or several members — from the same or different countries — may agree to submit a joint motion.

A deputy delegate may also submit a motion, but his motion must be seconded by a full Council member.

A government may ask the Council for a statement in any matter which is submits to the Council.

The various permanent inter-Scandinavian co-operation committees set up by the governments after 1945 (Nordic

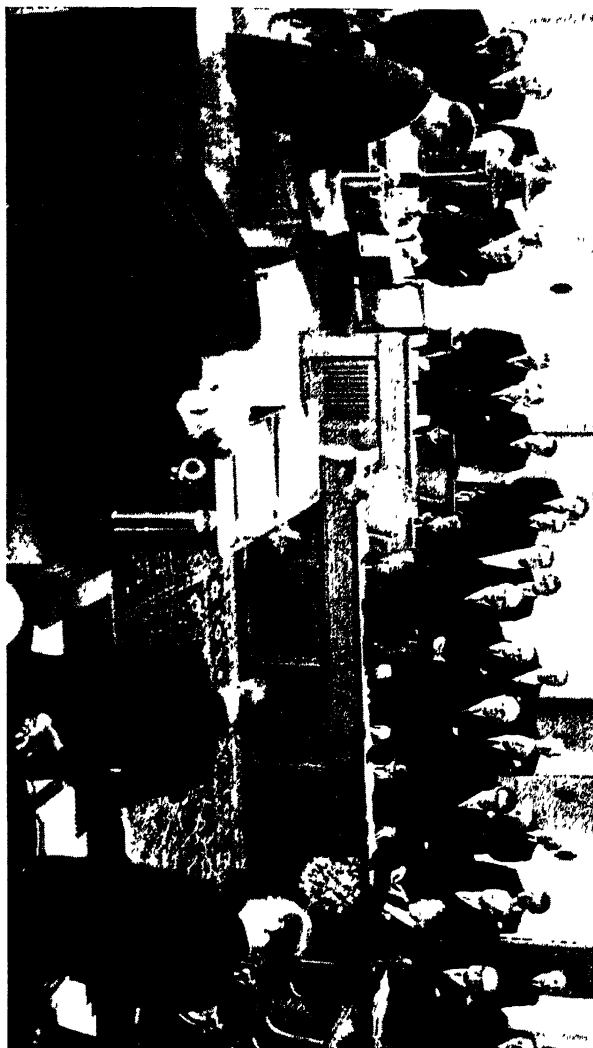
Cultural Commission, Scandinavian Committee for Legislative Co-operation, Social Policy Committee, Parliamentary Committee for Freer Communications, Joint Scandinavian Committee for Economic Co-operation) submit through the governments annual reports to the Council on their activities. The Council may also ask the governments to submit reports on concrete questions about which the Council wants detailed information. These reports on different matters and of different origin may form the basis for Council discussions and for motions from elected members or governments.

According to Article 11 of the Statutes, the governments "should submit information on the action taken on the recommendations" submitted to them by previous Council sessions, unless the Council has explicitly declared that the consideration of such recommendations has been completed or that it does not want the information until a later session. This very important rule enables the Council to remonstrate with a government which neglects a recommendation; through the application of these rules the Council and the general public will also be in a position to follow the action taken by governments in specific matters.

COURSE OF A MOTION THROUGH THE COUNCIL MACHINERY

Motions to be considered at a session must be sent in writing to one of the Council Secretariats in time to be printed and forwarded to members, with the necessary explanatory details, not later than three weeks before the opening of a session. The time limit for submitting mo-

King Frederik IX of Denmark addressing the first session of the Nordic Council on 13 February 1953 in the chamber of the Danish Upper House at Christiansborg Castle, Copenhagen. To the right Queen Ingrid. Less than half the members of the Council appear in the photograph.





The Presidium of the Council at the first session 1953 (see note 1 p. 113).



Prime Ministers at the first session in 1953 (see note 2 p. 113)

tions has therefore been fixed at two months before the opening of a session but the Presidium may reduce this to four weeks. Motions are regarded as having been submitted by being sent to members and are therefore not introduced with a speech at a Council session.

A motion is subjected to two readings in plenary session. After the first reading, where members may comment briefly on the motion, it is referred to a committee. These short remarks are generally made by members who will not have an opportunity to take part in the deliberations of the committee and therefore wish to make their views known to the members of the committee. Most of the motions, however, are referred to committees without comment.

In the sessions held thus far, the opening days have been devoted to a general debate on the Council's responsibilities, activities, relations with member governments, and on Scandinavian problems in general. During this debate questions may also be raised which are not the subject of any motion. The debate is technically based on a report of the Presidium on its activities since the previous session.

COMMITTEES DURING SESSIONS

During sessions, the Council may set up such committees as it may find necessary to study the details of motions between the first and the second readings. During the last three sessions the Council set up five such committees, viz. for legislative, cultural, social, traffic and economic problems. Every member shall be a member of

Presidium of the Council at the first session in 1953. From left to right: Nils Herlitz, Sweden, Hans Hedtoft, Denmark, Magnús Jónsson, Iceland, and Einar Gerhardsen, Norway.

Prime Ministers at the first session of the Council in 1953. From left to right: Tage Erlander, Sweden, Erik Eriksen, Denmark, Oscar Torp, Norway, and Steingrímur Steinþórsson, Iceland.

one — and only one — committee. At the last sessions the 69 elected members were therefore distributed over the five committees with 13 on each of the four committees and 17 on the fifth. The larger countries had three of their 16 delegates on each of the four committees and four members on the politically especially important fifth committee (on economic questions). Iceland's five delegates had each a seat on one of the five committees.

Each committee elects from among its members a Chairman and a Vice-Chairman, having regard both to national and party representation. Each member state is thus represented by a Chairman on one committee and a Vice-Chairman on another. The host country makes a government official available as secretary to each of the committees. The committee members are assisted in their work by experts from their national government departments. As mentioned above, cabinet ministers are invited to attend committee meetings, and the discussions in committee between elected members and government members are extremely valuable.

When committees report back to the plenary session they submit a written statement which, where motions are concerned, may conclude in a recommendation or a rejection of the motion or that it be referred to the next session. In the case of reports or communications to the Council the committee usually suggests that the matter be placed on record, sometimes with commendatory or critical observations. The committee usually appoints a *rappporteur* for each question treated to present its findings to the plenary session.

CONSIDERATION OF RECOMMENDATIONS

Votes are taken on recommendations by roll call in order that the governments may be informed as to how the individual members voted. Adopted recommendations, signed by the President of the Council and the Secretary

of the session, are forwarded to the governments together with the original motions, committee reports, reports on debates, and any other information which may shed light on the recommendations.

The Presidium and the governments have adopted the practice of holding a joint meeting after the end of each session. At this meeting, which is attended by the Presidium and government representatives (usually the foreign ministers), the adopted recommendations are distributed among the member states, each government assuming the responsibility for directing and co-ordinating the treatment of a certain number of recommendations at the government level. This procedure obviates duplication of work and prevents a matter from having to wait for one of the governments to take the initiative. Thus, each recommendation has one particular government which is especially responsible for its future treatment.

The comparatively short duration of each session obviously limits the amount of work that can be done at the session itself. It is essential therefore that matters should be thoroughly studied and elucidated before they reach the Council. The responsibility for this work rests primarily with the Presidium and the Secretariats who ask the governments to provide the necessary data and also seek further information from all other available sources.

In addition the Council may appoint special inter-session committees and request committees set up during a session to continue their work after the end of the session. Such inter-session committees have already been set up and have rendered very useful service (see p. 132, 147).

THE COUNCIL AND THE PUBLIC

Plenary sessions are open to the general public, but the Council may decide to hold closed meetings. Commit-

tee meetings are always held *in camera* and proposals that the public be admitted have not been adopted.

All the documents of a session are printed and published together with the stenographic reports of the plenary sessions. The documents comprise motions, with all supplementary data; committee reports, and the recommendations adopted. This publication entitled "Nordisk Råd" (Nordic Council) followed by the number, year and place of the session, is published a few months after each session, and sold through bookshops.

COUNCIL PROCEDURE AND LANGUAGES

Although the Council members come from five different parliaments, each having its own particular parliamentary procedure and tradition, the Rules of Procedure employed in the Council, though different from those of each of the member parliaments, have never caused the slightest difficulty. From the very beginning adaptable and very efficient orders of business were worked out.

Thanks to the extensive unity of language in Scandinavia, there have not been any language problems either. The members use their mother tongue both in speech and in documents with the exception of the Icelanders who speak Danish, and most of the Finns, who speak Swedish. All documents, motions, reports, and recommendations are printed in the language in which they were originally drawn up. Although all of the languages may be used, in actual practice Danish, Norwegian and Swedish have been employed. As each delegation provides its own shorthandtypists, the minutes will be in the individual speaker's own language.

The members are seated in the plenary hall in two groups, one comprising Cabinet ministers and the other elected members, but within each group the delegates are seated in alphabetical order, regardless of nationality. The roll calls at the opening of each session and during the

voting on recommendations are also made in alphabetical order, without regard to national origin.

Though the political parties in the several countries which advocate the same basic views were in frequent contact with each other long before the establishment of the Nordic Council, this co-operation is being further extended within the framework of the Council. If a party has not sufficient representatives to secure a seat on a committee, it will feel that it is being represented by party members from the other countries. During sessions the political parties of the host country arrange social gatherings for their colleagues of the same political opinion in the other delegations.

CHAPTER X

THE NORDIC COUNCIL AND CULTURAL CO-OPERATION

The Governments and Parliaments of all the Scandinavian countries recognize that the cultural community of the Scandinavian peoples is a prerequisite for their solidarity and co-operation. From the very outset, therefore, the Nordic Council has devoted great attention to co-operation in this field, endeavouring to strengthen and expand cultural contacts throughout Scandinavia. These endeavours have taken a multitude of forms. One aspect, which is of primary importance, is to give the man in the street access to so much knowledge about the languages of the other Scandinavian countries that he does not regard them as foreign or difficult. Only through such knowledge will the great majority of Scandinavians be able to take full advantage of the valuable linguistic heritage they share.

Another task of great practical significance is to disseminate mutual information about the Nordic peoples and their way of living. The press, the radio and the television are doing extremely useful work in this respect. Academic studies would derive important benefits from a more extensive exchange of university teachers and students. The growing emphasis on research necessitates increasing specialization inside Scandinavia in those branches of science where small countries encounter difficulties in coping individually with modern develop-

ments. Finally, the peoples of Scandinavia have a natural interest in presenting their form of civilization to other countries in the most effective manner, and this obviously necessitates joint efforts.

The Nordic Council has been active in all of these fields and in other aspects of cultural co-operation as well.

EDUCATION AT SCHOOL LEVEL

Secondary schools have long taught the languages of the sister nations, both at senior and junior levels. In recent years such instruction has been introduced also in the upper forms of the elementary schools. Norway and Sweden have already made this teaching obligatory; in Denmark, a provision to that effect is included in the new Elementary School Act of 1958. This step was prepared in Denmark a few years ago when compulsory instruction in Norwegian and Swedish was incorporated in the curricula of the Danish teachers' training colleges. Even before instruction in the other Nordic languages had become compulsory in Danish elementary schools, it was being taught on a voluntary basis in many schools, encouraged by the Ministry of Education and the Norden Association. The latter's contribution is in making suitable educational material available to schools and sponsoring language courses for teachers and pupils. The Association also arranges the exchange of teachers and pupils between "friendship towns" and sends visiting teachers from Norway and Sweden to Danish schools and vice versa (see p. 48).

The Nordic Council has urged the respective governments to make instruction in the languages of the sister countries as effective as possible, above all in teachers' training colleges and in the elementary schools where the need is greatest. With this end in view, the Council has advocated more exchanges of teachers as well as more

joint training courses for teachers of Nordic languages and of subjects which are of special importance to mutual Scandinavian understanding, such as literature, history, civics, geography, and ecclesiastical history. The Council also recommends educational tours of other Scandinavian countries for school children and a more extensive use of radio broadcasts and gramophone records in teaching.

LANGUAGE BOARDS

Language Boards have been set up in the individual Nordic countries to advise the authorities and the general public on national linguistic questions. These Language Boards also endeavour to keep the Scandinavian languages from diverging. The Nordic Council has therefore induced the governments to make funds available to the Language Boards in order that the latter may co-operate in their efforts to strengthen the linguistic community and to combat the tendencies of disunity which arise mainly out of the assimilation by the individual languages of foreign words or phrases in dissimilar forms. One example of this is the present endeavours of the Language Boards to ensure uniformity in the technical expressions adopted by the SAS and by the postal services of the Scandinavian countries. Centres of technical terminology co-operate with the Language Boards in order to reach agreement on technical terms. The Nordic Council itself has taken the lead in these endeavours to promote terminological unity in Scandinavia by amending the text of its Statutes and Rules of Procedure so as to attain the widest possible linguistic conformity in the description of the Council's various bodies and activities.

CO-OPERATION AMONG FOLK HIGH SCHOOLS

In the further education of youths whose normal schooling ends with the elementary school, folk high

schools play a major rôle in all Scandinavian countries. Folk high schools aim not merely at imparting knowledge to their students on a voluntary basis, but also at promoting their appreciation of spiritual values and stimulating their interest in the community and the world they live in. A school form with such aims must inevitably give special attention to Nordic culture and Scandinavian co-operation, the more so as the origin of the folk high school was strongly influenced by Nordic solidarity and also because there is still close co-operation among the folk high schools in Scandinavia (see p. 25—26, 44).

Recognizing the contribution which the folk high school can make in promoting mutual understanding in Scandinavia, the governments have, since the late 'thirties, permitted scholarships awarded for courses at national folk high schools to be used at folk high schools in one of the sister nations. After the war, this system was extended by a new scholarship scheme, administered by the Norden Associations, by which scholarships paid by the host country are awarded to young people who wish to attend a course at a folk high school in another Scandinavian country. The Nordic Council's contribution in this field has consisted in recommendations for more and bigger scholarships and for reduction of the cost of travel involved by such folk high school exchanges. The Council has also advocated exchanges of folk high school teachers, more courses for such teachers, and increased appropriations for folk high school libraries for the acquisition of Scandinavian literature.

NON-GRADUATE SCANDINAVIAN ACADEMY

The most interesting proposition considered by the Nordic Council in connection with folk high schools is concerned with the establishment of a joint Scandinavian folk high school or non-graduate Scandinavian Academy.

The purpose of this institution would be to create a non-graduate Scandinavian cultural centre where teachers from different kinds of schools, journalists, leaders of free adult education, government officials working with Scandinavian problems, and other interested persons may take part in study-groups and lectures at an advanced level, under the guidance of outstanding persons from all over Scandinavia. According to this proposal, the subjects to be treated would cover cultural and social activities in the individual Scandinavian countries, their histories, and domestic and foreign politics in modern times and also Scandinavian co-operation, its organization and results, current problems, and future tasks. At the instance of the Nordic Council, this far-reaching plan has been referred to an expert committee set up by the respective governments. Another indication of the Council's interest in adult education on a Scandinavian basis is the initiative taken by the Council to persuade the Scandinavian governments to increase their contribution to an ordinary folk high school (at Kungälv near Gothenburg in West Sweden) which has established its instruction and education programme on a Scandinavian basis; it employs teachers and receives students from the whole of Scandinavia.

SCHOOL FOR SCANDINAVIAN JOURNALISTS

While the plan for a non-graduate Scandinavian Academy is still in the preparatory stage and has not yet been recommended by the Council, the latter has made a direct recommendation to the governments for establishing, with support from government funds, a joint Scandinavian college for advanced training of journalists. Instruction at the college is intended for young journalists who have already received their basic education either at a school for journalists or with a newspaper in their home country. The instruction covers

Scandinavian co-operation, cultural, political and social life in the Scandinavian countries, and Scandinavian relations with the rest of the world. The governments have agreed to make the necessary funds available, and the final decision to establish the college for journalists was made in January 1957 in conformity with the Nordic Council's recommendation. The press organizations of all the Scandinavian countries elect a joint management of the college. According to these plans, instruction was started in February 1958. For the time being it will be attached to the faculty of journalism of Århus University in Denmark.

RADIO AND TELEVISION

In addition to the school and the press, radio and now also television offer great opportunities for strengthening the cultural community of the Scandinavian peoples. The Scandinavian broadcasting companies have co-operated extensively for several years (see p. 46), and this co-operation is constantly expanding. With the rapid growth of Scandinavian unity the mutual exchange of information about Scandinavia becomes more and more important. In their increasingly close co-operation the Scandinavian peoples will need to know each other's views and background to a much greater extent than previously. For this reason the Nordic Council has consistently concerned itself with the co-operation established among the broadcasting companies and now every effort is being made to include television in that co-operation. Up to the present time, however, only Denmark and Sweden and — to a much lesser extent — Finland have regular TV-broadcasts. Denmark and Sweden have already entered into close co-operation in this field.

Advocates of close Scandinavian co-operation in television stress the exceptional potentialities of television as a means of strengthening cultural solidarity and mutual

understanding among the Scandinavian peoples. In television the language affinity can be fully utilized; it is much easier to understand the other Scandinavian languages if you can see the speaker or the things he is talking about. There are also other and very sound reasons for this co-operation; TV-broadcasts make such heavy demands on lecturers and artists that it is more than doubtful whether any one of the Scandinavian countries would be able, by itself, to provide an adequate number of qualified persons to speak and act on TV. In addition, it is so expensive to produce a TV-programme that financial considerations will also be an essential factor. The radio directors, who are responsible also for the TV-programmes, are very keen to promote co-operation in the field of television on the lines of the successful co-operation already established in radio broadcasts. For the time being, therefore, the Nordic Council has merely asked the radio companies to forward current reports on developments in television.

SCANDINAVIA AS AN EDUCATIONAL UNIT

Educational unity in Scandinavia has been on the agenda ever since the early days of the Scandinavian movement. Its advocates wanted to enable students to go from one university to another inside Scandinavia, studying each subject under the most outstanding professors. Such a course, however, was impracticable as long as students were required to pass their examinations at a home university. The principle had to be accepted that the examinations or tests passed at any Scandinavian university would automatically be acceptable to the university where the student intended to take his degree. Although a reform on such lines would involve no financial outlay, the academic authorities were too lethargic to take the initiative required to overcome the ob-

stacles to this course. Only now, after a delay of more than a century, such collaboration among Scandinavian universities has become a reality. On the recommendation of the Nordic Council the principle is now recognized that tests and examinations passed at Scandinavian universities are valid at all institutions of higher learning in Scandinavia. Conferences of professors and students in Denmark, Finland, Norway, and Sweden are now planning the practical implementation of the plan in the various faculties.

The Council has also recommended that the exchange of university professors already in existence should be for longer periods at a time.

It is obvious that it would be of great benefit to university education and to the co-operation existing among Scandinavian university men if it could become customary for the best students and professors to spend shorter or longer periods at universities in the other Scandinavian countries. The knowledge of outstanding teachers could thus be made available to wider circles and personal contacts could be established; experience has shown that this will stimulate research. It would also be valuable if men working in the same fields could establish close contacts already in their student years.

With a view to providing funds for students to spend a long or short time at universities in the other Scandinavian countries, the Council has urged the governments to make scholarships and student loans available to meet the higher expenses involved by such studies in another Scandinavian country. This can be achieved in several ways of which the Council has indicated the following three: students should be allowed to spend scholarships and loans obtained for studies in their own country on studies at universities in another Scandinavian country if they so desire; special scholarships should be made available to students to cover the extra cost of pursuing studies outside their own country; and students

following courses at a university in another Scandinavian country should be eligible, to the same extent as nationals of that country, for scholarships and loans available in the host country. This third procedure is of particular interest; it is based on the same principle of equality for Scandinavian citizens in other Scandinavian countries as that which has been introduced for social security benefits (see p. 143 f). The second form of scholarship has already been introduced by the Norwegian Government which has made 100 so-called "incentive scholarships" available to Norwegian students who wish to study in another Scandinavian country.

CO-OPERATION IN RESEARCH

Today, research, especially in the natural sciences, makes much greater demands on financial and human resources than previously, and small countries like the Nordic states find it increasingly difficult to cope with the demands of advancing specialization. Already at its first session, the Nordic Council discussed possible ways of efficient co-operation in research and educational establishments to meet common needs in Scandinavia. Concrete cases have been taken up for discussion at subsequent sessions. It has been suggested that one common Scandinavian research institute would in some cases be the best solution, but scientific co-operation may also take the form of committees or agencies for Scandinavian co-ordination. Such joint planning may lead to a rational division of labour among research workers and research centres, thereby ensuring more effective utilization of available talent, institutes, and funds.

Two projects, which are already in process of realization, may illustrate the various methods adopted for Scandinavian co-ordination. The first project is concerned with the peaceful utilization of atomic energy. On

the basis of a recommendation passed at the Council's fourth session (1956), the governments set up a parliamentary committee to organize Scandinavian co-operation in this field. The committee submitted a proposal for establishing a Nordic Institute of Theoretical Nuclear Physics in Copenhagen under the administration of a board which would also be in charge of Scandinavian co-operation in theoretical nuclear physics. The committee further proposed that a joint Scandinavian body should be set up to watch the planning and activities in the field of nuclear energy and to encourage Scandinavian co-operation in this field. The fifth session of the Council at Helsinki (1957) unanimously endorsed the proposal and added an important provision for the extension of this co-operation to comprise industrial production of reactor equipment and the like. Following this recommendation one research institute for the whole of Scandinavia, a body to co-ordinate the activities of the national institutes for atomic research, as well as the committee for coordination of general planning have already been set up.

Extensive co-ordination of the activities of several national research institutes, without any joint Scandinavian institute, already exists in marine biology. Each of the countries Denmark, Finland, Norway, and Sweden has one or more institutes of marine biology whose locations enable them to study their particular types of ocean and their forms of marine life. Under the co-ordination plan, each institute will concentrate on its own particular research projects and, in addition, hold courses open to students, teachers and research workers from all the Nordic countries; research scholarships will enable scientists to pursue their studies at institutes outside their home countries. A permanent "Nordic Board of Marine Biology", composed of the heads of the national institutes, is in charge of all co-operation in this field.

In several other fields of scientific research with which

the Nordic Council has concerned itself it has likewise been found preferable, for the time being, to confine co-operation to co-ordination and planning. These include studies of the medical and social effects of alcohol, studies of traffic engineering (which involves far-reaching financial and social problems), criminology, agricultural science, nutrition, and consumer goods.

If scientific co-operation is to yield the best results, the individual research institutes must divide the projects according to pre-arranged plans. One institute may assume responsibility for a particular field of study on behalf of all the participating countries; or a group of research workers from several countries may take over a particular project on behalf of all the countries. Under both of these methods, scientists must be free to spend government funds appropriated for such scientific research, in any Scandinavian country, even when the actual work is carried out in a country other than that of the appropriating government. The Nordic Council has therefore asked the governments to authorize the research boards in charge of the administration of important government grants for scientific purposes to regard Scandinavia as a single unit in the spending of such money, irrespective of national frontiers. This should apply also to research scholarships.

In December 1955 Finland joined the Nordic Council, and the Finnish delegation participated for the first time in the fourth session which took place in Copenhagen in January 1956. From left to right: John Österholm, Finland, Erik Eriksen, Denmark, President of the Council, Gustav Pedersen, Speaker of the Danish Folketing, and Karl-August Fagerholm, Speaker of the Parliament of Finland and Chairman of the delegation of Finland to the Nordic Council.

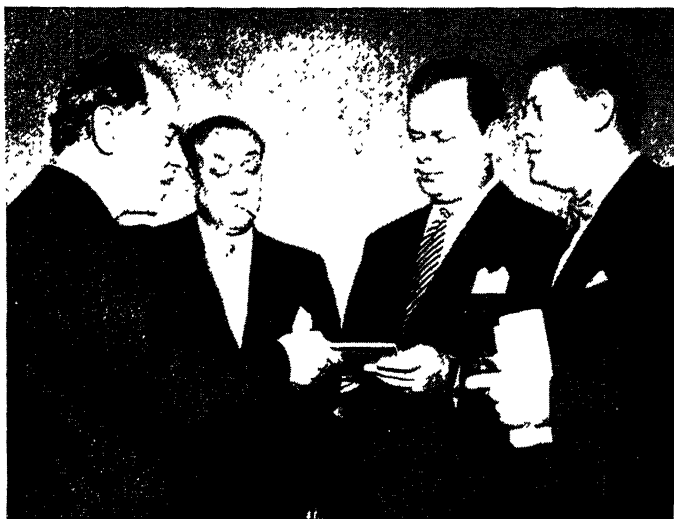
In October 1955 the Presidium of the Council and the Prime Ministers of the Member states met for a conference at Fredensborg, Denmark, to discuss the working methods of the Council. From left to right: Sigurður Bjarnason, Iceland, Vice-President of the Council, Nils Herlitz, Sweden, President of the Council, H. C. Hansen, Prime Minister of Denmark, Einar Gerhardsen, Prime Minister of Norway, and Tage Erlander, Prime Minister of Sweden.



Finnish members being welcomed to the Council (see note 1 p 128).



At the meeting of the Prime Ministers and the Presidium of the Nordic Council at Fredensborg, Denmark October 1955 (see note 2 p. 128).



Ministers of Economic Co-operation at Copenhagen October 1956. From l. to r. Gunnar Lange, Sweden, Arne Skaug, Norway, Aarre Simonen, Finland, and J. O. Krag, Denmark



Prominent members of the Nordic Council assembled at Hindås, Sweden (see p. 215). L. to r. Bertil Ohlin, Sweden, Chr. L. Holm, Norway, Erik Eriksen, Denmark, Nils Hønsvald, Norway, Emil Jónsson, Iceland, and Väinö Leskinen, Finland.

EDUCATION AND TRAINING OF TECHNICIANS

The economic future of a nation will depend on its ability to cope with the tremendous rate of technical progress. This is true also of the Nordic countries; they will lag behind if they fail to keep abreast of developments, especially in those sectors which are now being reshaped by atomic energy and automation. It is essential for the prosperity of the Nordic countries that they should have enough technicians, natural scientists of all kinds, and teachers to train scientists in growing numbers in the future. The present position is quite the reverse; the total number of technicians being educated and trained today is the same or less. This disturbing tendency has placed the question of technical training at the very top of the agenda in all the Scandinavian countries. It is this situation which induced the Nordic Council to adopt a recommendation urging the governments to initiate immediate investigations into the possibilities of co-operation in technical education. The argument underlying this recommendation is that while each country should provide basic education for its technicians and scientists advanced specialized education may often require institutes which would be so expensive and for which there would be so few students and competent teachers available that it would be almost impossible, or at least wasteful, for the individual countries to provide such specialized training. The position would be entirely different if teachers and students were recruited for one specialized institute catering for the whole of Scandinavia and the costs were apportioned among all the Nordic countries. The purpose of the Nordic Council's recommendation was to ascertain whether and to what extent this aim can be realized (see p. 201 f.).

CHILDREN'S FILMS AND THEATRICAL CO-OPERATION

There is in Scandinavia an acute shortage of films which are particularly suitable for children. The countries are too small to afford individual productions for such a limited audience. But Scandinavia as a whole should be large enough to form a sufficiently wide basis for such a production, at least if the producers were given some encouragement in the form of tax concessions. To this end the Nordic Council has adopted a recommendation that the governments should exempt Scandinavian-produced films intended specially for children from import duties and entertainment taxes. In addition, the Council suggested that a Nordic board for children's films be set up to consider all the problems involved. The board was established by the governments in 1956.

The theatres in Scandinavia have already established a certain amount of co-operation in the form of exchanges of theatrical companies. Such guest performances involve considerable risks, especially for privately-owned theatres. On the recommendation of the Council small appropriations have therefore been made available in the individual countries to support exchanges, especially between small theatres and of small companies. Artistic recitals and exchanges of producers may also be subsidized out of these appropriations. Negotiations are likewise in progress regarding subsidies for Scandinavian musical co-operation of a nature similar to the subsidized theatrical exchanges.

PRESENTATION OF NORDIC ART AND POETRY IN FOREIGN COUNTRIES

The success achieved by the Scandinavian travelling exhibition, "Scandinavian Design", in the United States and Canada in 1954 and 1955 has inspired a recom-

mendation from the Nordic Council to the governments to examine the possibilities of a joint presentation of Nordic art in a joint pavilion at the famous Biennale Exhibition at Venice. This question is the subject of current negotiations among the Scandinavian governments and between the latter and the Italian exhibition authorities.

It is more difficult for Nordic literature than for Nordic art to attract attention in the world, inasmuch as the language problem forms an almost insurmountable barrier. It is therefore more or less accidental which Scandinavian books are translated into foreign languages. But in the Anglo-Saxon countries, especially the United States, there is a growing interest in the Nordic peoples and this interest includes their contributions to intellectual life. The Council has therefore suggested that the governments should ascertain whether a collection of representative Scandinavian literary works can be translated into the major languages, primarily English. The Nordic Cultural Commission to whom the matter was referred has studied an expert proposal for an 80 volume edition of Nordic classics ranging from the Sagas and Eddas to modern poetry and fiction. In their final report the Commission did not find it feasible to carry the scheme into effect. As, however, it was generally admitted that the position of Scandinavian literature in the Anglo-Saxon countries is quite unsatisfactory, the Commission recommended that the individual Nordic countries take up the problem.

CHAPTER XI

THE NORDIC COUNCIL AND LEGAL AND ADMINISTRATIVE PROBLEMS

Although the efforts to achieve the widest possible Scandinavian unity in legal matters have already led to very impressive results, the work goes on, consistently and assiduously, to extend this field of unity to new legislation (see p. 57). Furthermore, laws already in force are revised from time to time. As there is no common supreme court for the Nordic countries, joint laws already in force are not seldom interpreted differently in the various countries. In such cases efforts are made to restore the original unity of law by new legislation.

The Nordic Council has naturally concerned itself with these problems which are of major importance in day-to-day Scandinavian relations. At its first session, the Council appointed a committee from among its own members to follow up these questions between sessions. The committee originally consisted of seven members, but it was enlarged to nine members when Finland joined the Council. The task of the committee is to work on legal problems of every kind and to prepare them for consideration by the Council.

Under the auspices of the governments and supervised by the Scandinavian Committee for Legislative Co-operation considerable work is thus being done to prepare new "Scandinavian" laws, but in several cases the Council has nevertheless adopted recommendations

for more rapid consideration of problems which the Council finds particularly urgent, for instance the revision of the existing common legislation on marriage, on the property of spouses, and the extradition of criminals, as well as the enactment of uniform Scandinavian legislation on confiscation.

PATENTS

Special interest attaches to the question of patents for which there is as yet no common Scandinavian legislation. The Council has recommended the earliest possible introduction of a system making patents valid all over Scandinavia, whereby a patent taken out in one country would automatically become valid in all the Nordic countries. This would save inventors time and money when applying for patents. But before any such system could be introduced, far-reaching conformity would have to be established among the patent laws of the individual Scandinavian countries. The Committee of Patent Experts set up by the governments on the initiative of the Nordic Council has therefore started its work by drafting a common Scandinavian patent legislation. However, the aims of the Council go beyond a system under which each of the national patent authorities would be empowered to issue patents valid for the whole of Scandinavia. If the experience with Scandinavian patents proves successful, the next step should be to study the possibilities of establishing one joint Scandinavian patent institution.

CO-OPERATION IN CRIMINAL JUSTICE

To date co-operation in the administration of criminal justice has not been very extensive. Almost the only collaboration between the Scandinavian states in this field

has been the extradition of criminals under certain circumstances. As a result of easier communications, however, a change in this practice has become necessary. The abolition of passports inside Scandinavia, the enormous increase in travelling, and the abolition of work permits have obviously increased the frequency of offences committed by citizens of one country in the territory of another or of lawbreakers escaping from their native country to one of the other Scandinavian countries. In the words of a witty journalist: criminals, too, have got their common Scandinavian labour market.

This can be remedied to some extent by more up-to-date extradition laws as advocated by the Council, but this reform alone will not be sufficient. Real concessions are needed in the rigid application of the principle of national sovereignty in the administration of criminal justice. The Nordic Council has declared itself in favour of this and has asked the governments to continue and widen their co-operation in this field. What the Council has in mind is, above all, that police and law courts should be given wider authority to examine suspected persons and to hear witnesses in cases tried in one of the other countries at the request of the police or the courts of that country. The Council has further advocated that Scandinavian courts, police, and prosecuting authorities should give each other more help. A convention on such mutual assistance was signed in 1958.

It is particularly interesting that the Council advocated increased powers for law courts, enabling them to pronounce sentences for offences committed anywhere in Scandinavia by a citizen of one of the countries. For instance, a Swedish law court should have authority to pass judgment on a Danish citizen living in Sweden not only for an offence committed in Sweden but also for any crimes he may have committed in Denmark. This authority would be used if a lawbreaker committed a number of offences in his own country and, without having been

arrested, continued his criminal activities in Sweden and there was arrested and tried by a Swedish law court. But it should also be possible to return him to Denmark and have sentence pronounced on him by a Danish law court for offences committed both in Denmark and Sweden.

In the same way as an offender may have a sentence pronounced on him by the law courts of one country for a whole series of crimes committed in several Scandinavian countries, it is suggested that the entire punishment should be served in one country and, more particularly, that it should be possible to return him to his own country to serve it there. In addition, it would seem reasonable that the individual country should, to the widest possible extent, bear the cost of keeping its own citizens in penal institutions.

In one particular field, closer co-operation in the enforcement of punishment may make the punishment more humane. If, for instance, a young Dane commits an offence in Sweden, the Swedish law court cannot pronounce a suspended sentence against him, even if that would be the proper sentence in the circumstances and in the interest of the young man. The Swedish law court has no guarantee that he will not evade supervision by the Swedish probationary authorities by returning to Denmark whose authorities, under the existing laws, have neither the right nor the duty to keep him on probation on the basis of a sentence passed on him in Sweden. In these circumstances, the Swedish law court will usually feel compelled to pronounce a prison sentence. What the Council wants, therefore, is that new legislation should give the authorities of one country powers to exercise supervision of persons against whom suspended sentences have been pronounced in another Scandinavian country. It will be seen that the Council is prepared to vest far-reaching authority in the law courts, police and prison authorities in Scandinavia. This is possible only because the legislation of all Scandinavian countries is

based on identical principles and because each country has full confidence in the exercise of all aspects of legal administration in the other countries.

SCANDINAVIAN LAW REPORTS

The Nordic Council has gone into the question of counteracting divergent national interpretations of joint Scandinavian laws. It was found that the best means to this end would be to publish law reports which would show how statutory provisions had been interpreted by national law courts. As the Nordic countries are small individually, the number of cases decided by their national law courts is modest compared to the number of cases in big countries. In cases of doubt it would therefore be natural to seek guidance in the legal practice adopted by other Scandinavian countries. If easy reference is provided to reports on cases decided by the law courts of other Nordic countries, examples from one country will influence developments in the other countries, thereby checking tendencies to diverge. The Council has asked the governments to make provision for Scandinavian law reports to be published, recommending that they should include decisions containing interpretations of existing joint laws as well as decisions of mutual interest in fields where no common legislation has yet been introduced but which may be taken up for consideration. The governments have agreed to start the publication in 1959.

LEGAL STATUS OF SCANDINAVIAN CITIZENS

The Legal Committee of the Nordic Council is also trying to arrange that citizens from one country who live or work in another Nordic country are given the same legal status as the citizens of that country. Very impressive results have already been attained in social policy

(see p. 63 and p. 143 ff.). Since the establishment of the Nordic Council effective action has been taken to introduce the same principle into regulations affecting trade and professional qualifications.

The Council has asked the governments to enable officers and seamen of the merchant navy, regardless of nationality, to take employment in merchant ships and fishing vessels all over Scandinavia. Masters have been expressly excepted because of the special powers vested in them. The Council has also advocated that the governments should examine whether mutual concessions can be given to fishermen for the landing of fish catches, bunkering, etc. The Council further recommends that Scandinavian citizens visiting another Nordic country should be allowed the same right to carry on fishing for sport in the sea along the coasts as citizens of the latter country. Finally, the Council has recommended relaxation for Scandinavians of the rules which require foreigners to have stayed for a certain period in a country before they may pursue gainful activity or become eligible for the boards of directors of corporations or other commercial undertakings.

A wide range of similar modifications of existing legislation or practices must be made before citizens of the Nordic countries have attained equal status. In the opinion of the Council, these questions should be taken up successively for different population groups. Special efforts have been made to solve these problems for members of the medical and allied professions such as doctors, dentists, veterinary surgeons, pharmacutists, nurses, midwives, physiotherapists and psychologists (see p. 148).

Other proposals have been directly inspired by the problems raised by the common labour market. The Council has asked the governments to make certificates of change of address valid for the whole of Scandinavia and has recommended common rules for assessing and collecting taxes from seafaring people. The latter question

is of great practical importance because of the many Scandinavian sailors serving in ships from other Nordic countries.

If certificates of change of address become valid all over Scandinavia, it will be possible for municipal authorities in one country to notify the municipal authorities of another country of a change of address according to the procedure already adopted inside the individual countries. In this way, it will be much easier to follow the movements of individuals inside Scandinavia. Delinquent taxpayers, persons in arrears with maintenance money and debts to public authorities will find it more difficult to evade their obligations. Finnish, Icelandic and Swedish nationals living in another Scandinavian country will be able to take part in general elections held in their home countries if the national registration offices are kept informed of their address. (In Denmark and Norway residence in the country is a constitutional condition for the right to vote.)

Another problem, likewise arising out of the common labour market, is becoming increasingly urgent. Citizens from one Scandinavian country are frequently employed in public service in another Nordic state, but under the existing laws the years during which a state employee may have served in another country carry no pension rights. This is a serious drawback in the economic circumstances of such officials and will inevitably hamper the efforts to establish a free Scandinavian labour market for the professions and especially for research workers. In this particular field the necessary division of labour depends essentially on making it easy and attractive for Scandinavian scientists to work now in one Nordic country and now in another. The Nordic Council has therefore requested the governments to make it possible for a civil servant in one Scandinavian country to earn full pension rights even if he has done part of his service in another Scandinavian country.

HOW TO RENDER CO-OPERATION AMONG ADMINISTRATIVE OFFICES MORE EFFICIENT

The Nordic Council has taken action in many administrative questions and its proposals have already been realized in several cases. Agreements were signed in 1956 to exempt citizens of one country who take up residence in another from being conscripted for military service in more than one Nordic country. Similarly, provision has been made for civil servants to work for a certain period — 6 or 12 months — in another Scandinavian country on government grants. Law courts and public prosecutors have been authorized to obtain extracts from registers of convictions by direct application to the recording authorities of the other Nordic countries.

The growing volume of inter-Scandinavian activities, due very largely to the efforts of the Nordic Council, results in increasingly close co-operation between the administrative authorities of the individual countries, even at the local level. Since 1818 (from the early years of the Union between Norway and Sweden) an arrangement has existed "in order to expedite and simplify the course of administration" — under which, with very few restrictions, Norwegian and Swedish government offices may keep in direct contact across the frontiers without having to go through the usual consular or diplomatic channels. Such direct contact existed also between the authorities of other Nordic countries. It was not based on any specific administrative regulation but had been established spontaneously as a result of natural developments. A Council recommendation has hastened this process; almost every contact between national central administrations and even local authorities is now direct, without involving the foreign services. These close, informal and very practical relations between government officials by telephone, letter or personal discussion are stimulated by numerous personal contacts and, in-

deed, often by friendships formed at the many conferences and congresses for Scandinavian co-operation. In practice, the co-operation is facilitated very effectively by the fact that it only takes ten minutes to put through a telephone call from Copenhagen to Oslo, Stockholm or Helsinki. Direct flying time between the first three capitals is under two hours; it is somewhat longer to Helsinki from Copenhagen or Oslo, but shorter from Stockholm. On the other hand, the flight to Reykjavik takes between five and eight hours. All intra-Scandinavian letter mail is carried by plane without any extra charge.

When the Nordic Council learned that it was more circumstantial in Finland and Sweden to obtain permission to travel on official business to another Nordic country than to travel in the home country, the Council asked the governments of the two countries if they could not simplify the existing regulations.

Also minor practical obstacles have been overcome: when a government office, an institution, or a Secretariat of the Nordic Council in one country forwarded printed matter and the like, exceeding a certain minimum weight, to the authorities of one of the other Nordic countries, such items were often delayed in the customs, even if they were sent by mail and even if no duty was payable. In compliance with a request from the Council, such items will now be delivered without customs examination and delay.

INTER-GOVERNMENTAL CO-OPERATION

From the start, the Nordic Council has been very eager to simplify and rationalize co-operation between the Nordic governments and parliaments. The Council initiated a re-organization of the activities of the Cultural Commission; on the Presidium's suggestion the governments allot the different recommendations passed by the Council among themselves immediately after each Council

session. One government is thus responsible for directing and co-ordinating the investigations involved in each recommendation. In this way, no time is wasted by governments waiting for other governments to take the initiative, and the officials concerned have formal authority to pressing their opposite numbers in other countries for a reply in case of delay.

In the light of its experiences of the value of Nordic meetings of cabinet ministers responsible for parallel government departments, the Council urged the ministers in charge of health services to hold joint meetings regularly like those held by other cabinet ministers. The Council has also submitted proposals and recommendations for more systematic planning of common legislation, stressing that parallel legislative commissions should submit their reports simultaneously; that government offices should keep in touch with each other and exchange views in the elaboration of proposals from such commissions; that the resulting bills should be presented to and discussed by the parliaments at approximately the same time; and that the Nordic Council should be given an opportunity to state its views whenever a bill is in danger of being enacted in different forms by the individual parliaments.

On one occasion (in the autumn of 1955) the Presidium of the Council, the Prime Ministers and a few other cabinet ministers met for two days to consult about the work at the next session and about the general co-operation between the Council and the governments. The meeting was very useful; it will probably be repeated and may one day become a permanent institution.

In order to provide information about politics and legislation in Scandinavia, especially among members of parliament, civil servants, and the press, the Council initiated a common periodical, "*Nordisk Kontakt*", published by the Scandinavian parliaments since January 1955. It contains articles in non-technical language about

legislative activities and political problems in the Nordic countries. The board of editors consists of one member from each country. The periodical is managed by a joint Scandinavian committee of nine members appointed by the Nordic Council which also appoints the auditors. The "Nordisk Kontakt" is published about 15 times annually, viz. every other week during the months in which the parliaments are in session.

CHAPTER XII

THE NORDIC COUNCIL AND SOCIAL SECURITY

Reciprocity in social security legislation was already a fact before the Nordic Council was established (see p. 60 ff.). This was strongly emphasized by the members of the Council at its first session when they expressed their appreciation of the useful work done by government officials. Nevertheless, the Council found that better planning and co-ordination in this field was necessary. At its first session in 1953, the Council suggested that the governments should endeavour to consolidate the existing 16 reciprocal agreements — some of them bilateral, others multilateral — into one general Scandinavian convention on social security.

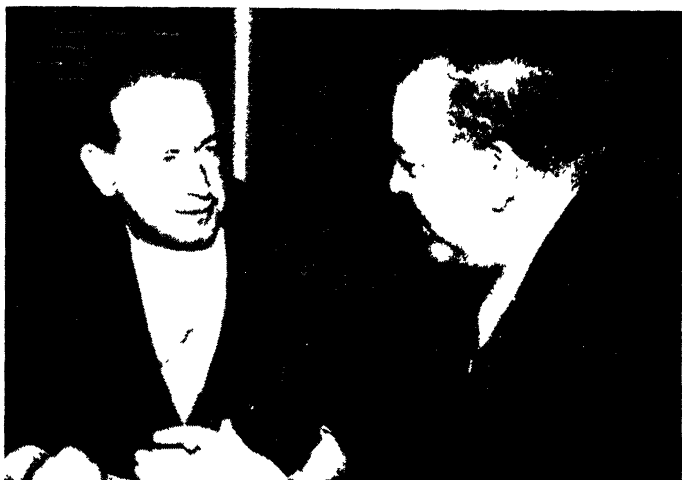
In the following couple of years a group of experts, working under the direction of the Nordic Committee for Social Policy, drafted a convention which was signed at a meeting of the Ministers for Social Affairs in Copenhagen on 15 September 1955 and became effective on 1 November 1956. Under the new convention all social-security benefits enjoyed by the citizens of one country must in principle be extended to citizens of the other Nordic countries living in that country. The convention covers the social-security benefits which were covered by previous inter-Scandinavian agreements: aid to destitute persons, old-age pensions, relief in cases of disablement, disease, accidents, occupational disease,

pregnancy, childbirth, and children's allowances. In addition, other benefits were included in the scheme: widows' pensions, aid to orphans and to children born out of wedlock and to children with only one parent. Even if a country does not provide certain of these benefits its citizens will be eligible for them if they live in one of the other countries which provides such benefits for its citizens. This means that the former condition of reciprocity has been abandoned altogether. Furthermore, the convention states explicitly that there will be no reimbursement (see p. 61).

When the Council requested the governments to draft a convention which would make social-security benefits mutually available to Scandinavians, it also advocated the publication of a popular survey explaining these benefits to the many Scandinavians living in other Nordic countries than their own. This survey was published in Norwegian in 1955 under the title of "Social Rights of Scandinavian Citizens living in Other Nordic Countries".

The fourth session (1956) took up another important problem in this field. The Council asked the governments to study how closer Scandinavian co-operation could be established in the care of invalids and partially disabled persons. Such co-operation could, for instance, take the form of establishing joint institutions for all the Nordic countries. If each country were to solve these problems on its own, there would often be insufficient numbers of invalids to benefit from such institutions, which would thereby become disproportionately expensive to operate. Scandinavian co-operation, on the other hand, should make it possible for invalids with identical needs to be treated together so that specialized and much more effective institutions could be established to take care of them.

At its first session the Council asked the governments for a statement showing which of the conventions adopted by the International Labour Organization had not yet been ratified by the Nordic countries. A list of such con-



In the United Nations the first two Secretaries General have been chosen from Scandinavia, the Swede Dag Hammarskjöld (since 1953) and the Norwegian Trygve Lie (1946–53).



During their meeting at Oslo, Norway, on 26 August 1958 the Defence Ministers Poul Hansen of Denmark, Niels Handal of Norway and Sven Andersson of Sweden visited the US Navy nuclear-powered submarine "Skate".



ventions, together with the necessary comments, was submitted to the second session (1954). On the basis of this, the Council called upon the governments to ratify more ILO conventions and to increase the existing Scandinavian co-operation in ILO in order that more attention could be given to the principles governing social legislation in Scandinavia. The Scandinavian countries have not been able to ratify more than a few ILO-conventions, not because Scandinavian legislation lags behind them, but because ILO conventions are ususally based on principles which are entirely different from those governing Nordic laws. ILO-conventions may, for instance, be based on coercion where Nordic practice is based on voluntary co-operation or even direct agreements between labour and management.

At its first session the Council also asked the governments for a report on Scandinavian co-operation in accident prevention (see p. 69). When the report was received the following year, the Council expressed its satisfaction with the results achieved in this field and asked the governments to increase this co-operation wherever possible.

In the United Nations and other international organizations the representatives of the Nordic countries cooperate closely. This picture, taken during the special emergency session of the General Assembly of the UN which met in November 1956 to discuss the Suez crisis shows the Permanent Representatives of four of the Nordic states debating the proposal to establish a UN emergency force. Seen here are (l. to r.): Thor Thors, of Iceland; Karl I. Eskelund (back to camera), of Denmark; Gunnar V. Jarring, of Sweden; and Hans Engen, of Norway.

CHAPTER XIII

THE NORDIC COUNCIL AND CO-OPERATION IN HEALTH SERVICES

The first session of the Council asked the governments to prepare a statement showing how Scandinavian co-operation in health services could be extended. In compliance with this request, detailed data were submitted to the second session. They had been prepared in joint meetings of the heads of the health services of Denmark, Norway, and Sweden. In the light of those data, the Council adopted a number of recommendations: for joint medical statistics, increased co-operation in the production and control of drugs; in research and laboratory tests; joint action, wherever possible, in the World Health Organization; joint health services for fishermen and seamen in Scandinavian and foreign ports; and, finally, provision for sending citizens of one country to the hospitals or specialized institutions of the other countries. (This is of particular importance in frontier regions with poor roads where a hospital on the other side of the frontier is often nearer than one in the home country).

At all its sessions the Council has taken a keen interest in proposals to enable members of the medical profession to practise in every Scandinavian country (see p. 137). This problem is, of course, linked with the level of instruction provided by national medical faculties and other educational institutes for medical personnel. A

report on these questions, which was provided at the request of the Council, proved that the basic education was essentially the same in the different countries and would not constitute any obstacle to allowing graduates from one country to practice in the other countries.

In order to expedite the study of this question, the Council set up a committee of nine of its own members to investigate the matter further.

In 1957, the Council adopted a recommendation, inspired by a proposal submitted by its own committee, to the effect that each country should permit doctors and dentists holding a *jus practicandi* in their home country to practice in the other countries merely on producing evidence of the necessary knowledge of forensic and social medicine of the host country and of their *jus practicandi* in their own country.

In the coming sessions the Council will introduce similar recommendations for pharmacists, veterinary surgeons, nurses, health visitors, midwives and physiotherapists. The main difficulty in establishing an entirely free labour market for members of the medical profession is the serious shortage of staff in some of the countries. In Sweden and Norway, for instance, it is very difficult to get a sufficient number of doctors and dentists for the northern regions, and it is feared, especially in Norway, that a free labour market may aggravate these difficulties.

The various categories of the medical profession are trained in their own countries, but many graduates, especially among young doctors, seek specialized training under the guidance of well-known specialists in the hospitals or institutes of the other countries. Scandinavian co-operation has likewise proved useful in the specialized training of top-level officials for the various health services, mainly because the number of students from a single country is fairly small. Since 1953, such instruction has been provided on a tentative basis in the form of a

general course at Gothenburg, Sweden, but the Nordic Council has now asked the governments to prepare a concrete proposal for a joint permanent institution for advanced education for higher officials in health services, especially medical officers, veterinary surgeons, sanitary engineers, and hospital nurses in responsible posts. The Committee set up by the governments to consider the matter has submitted a report recommending the establishment of a Scandinavian health college at Gothenburg (see p. 73).

Research on the special health and disease problems occurring in the arctic regions of Scandinavia (i. e. the northernmost areas of Finland, Iceland, Norway, and Sweden and the whole of Greenland) is another field which lends itself well to concerted Scandinavian action. The severe climate, the long period of darkness, the widely dispersed populations (which include separate racial groups such as the Lapps and the Greenlanders), and the limited number of medical personnel available, pose special problems which are entirely unknown in the rest of Scandinavia and which require scientific study. The Nordic Council has called upon the governments to take up for consideration the question of establishing a joint Scandinavian institute of arctic medicine and arctic hygiene.

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CHAPTER XIV

THE NORDIC COUNCIL AND TRAFFIC CO-OPERATION

THE SOUND BRIDGE

When the Nordic Council met for its first session in 1953 one of the proposals submitted to it attracted much public attention, namely the proposal which led to a recommendation for the governments of Denmark and Sweden to examine the advisability from financial and traffic standpoints of constructing a bridge or a tunnel, or a combination of both, across or under the Sound between Denmark and Sweden. This was not a new idea, but the growing traffic between the two countries had now brought it within the realm of practical politics. The abolition of passports in the previous year resulted in a sharp increase in the number of persons and motor cars crossing the Sound and all indications were that this rise would continue. Among the reasons for the increase were the enormous rise in the number of motor cars in Sweden and the popularity among Swedish motorists of trips to the Continent. The route across the Sound through Denmark is the easiest way to the Continent. A project conceived on a grand scale was published by three Danish and three Swedish firms of contractors on their own initiative, even before the governments had begun to study the Council's recommendation. This showed that the idea of building a permanent connection across or

under the Sound was a realistic commercial proposition. The project consisted of an 11-mile long motor highway carried through a tunnel and across a bridge from Copenhagen to Malmö in South Sweden. The highway was to be built and operated by a company with Danish and Swedish capital; the Danish and the Swedish states together were to provide 50 per cent of the share capital and to guarantee the amortization of the necessary loans. The amortization was to extend over 60 years and to be financed by a bridge toll which would be lower than the present price of ferry tickets. At the end of the 60 years, the two states would take over the highway free of charge.

Soon after this project had been published, the Danish and the Swedish governments set up committees to undertake a joint study of the whole matter. Their report is expected to be ready in 1960. The State Railways of the two countries are opposed to a link reserved for road traffic alone because they fear it will result in a competition which will be too severe for the railways. They insist that if a permanent link is to be built across the Sound, it must be able to carry railway traffic as well. The railways would prefer the connection to be built from Elsinore to Helsingborg which is the narrowest, but also the deepest point of the Sound. Some experts have suggested that the preferable solution would be to build a railway tunnel at Elsinore-Helsingborg and a motor highway between the two big cities of Copenhagen and Malmö. Financially, the "Sound Bridge" is a big venture, but there are two countries to share the cost, and the mounting volume of traffic makes it increasingly necessary to provide easy travelling facilities across the Sound. The latest statistics show that the number of passengers crossing the Sound went up from 7,6 to 9,7 million from 1955 to 1956, while the number of motor vehicles ferried across the Sound went up from 311,000 to 366,000.

THE ROUTE "AS-THE-CROW-FLIES"

The discussion about the Sound Bridge brought up another important Scandinavian traffic project, the so-called route "as the crow flies". This project envisages a ferry service across the narrowest part of the Baltic Sea from Rødby on the Danish island of Lolland to the North German island of Fehmarn which, in turn, can be linked up with the Continent by means of a bridge. This route would reduce the distance by railway between Copenhagen and Hamburg (including the passages by ferry across the Great Belt or the Baltic) from 527 km. via Funen and Fredericia to 367 km. via Rødby-Fehmarn and the hours of travel from $9\frac{1}{2}$ to 6. The time saved for goods traffic would be at least five hours. The establishment of an easy and fast connection through Denmark from Scandinavia to the Continent is, in fact, a condition for Swedish participation in the construction of the Sound Bridge. In the spring of 1958 a convention was signed between the Danish Government and the Government of the German Federal Republic, whereby the two parties agreed to construct the necessary ferry ports, railways, bridges, and roads in time for the route to be inaugurated not later than 1963.

TRAFFIC COMMUNICATIONS BETWEEN SCANDINAVIA AND THE CONTINENT

The decision to start work on the route „as-the-crow-flies” and the announced publication in 1960 of the reports of the Sound bridge committees have given new impetus to the discussion of the best ways to facilitate the ever increasing motor traffic between the Nordic countries and the Continent of Europe. Apart from a ferry connection between Trelleborg in Sweden and Sassnitz in East Germany all automobile and railroad traffic be-

tween Norway, Sweden and Finland on the one hand and the Continent on the other has to pass through Denmark. This long-distance traffic is already meeting some difficulties at the „bottle-necks” at the approaches to the Sound, the Great Belt, and the ferries serving the routes Frederikshavn—Gothenburg and Frederikshavn—southern Norway.

Two international highways are of special importance in connection with communications between Scandinavia and the Continent: the so-called Europe Road No. 4 from Lisbon via Hamburg—Fehmarn—Lolland—Copenhagen and across the Sound to Stockholm and Oslo, and Europe Road No. 3 from Lisbon via Hamburg through Jutland to Frederikshavn where it bifurcates to southern Norway and to Gothenburg, continuing from the latter city to Oslo and Stockholm.

In order to obtain the greatest possible efficiency in the future utilization of these important communications arteries, the Council requested that the governments coordinate their plans for the development of these great international routes.

POSTAL AND TELE-COMMUNICATIONS PROBLEMS

In recognition of the old-established tradition of co-operation in postal and tele-communication services, these matters have held a prominent place on the agendas of the first five Council sessions (see p. 74 ff.).

In deference to the Council's wishes, the governments referred the study of these questions to the Parliamentary Committee for Freer Traffic which had a reputation for acting energetically in travel matters (see p. 86 ff.). On the basis of this committee's reports, the Council has recommended a number of useful reforms which have been implemented by the governments. All these reforms have been based on the principle that charges for mail carried inside a country should be levied also on items

forwarded from that country to other Nordic countries. Since 1954 domestic postal rates have been charged for intra-Scandinavian letter mail weighing up to 500 grammes (against the previous 20 grammes) and since January 1957 for printed matter, business documents, and samples up to 1,000 grammes (against 50 grammes previously). Another recommendation for intra-Scandinavian mail weighing between 500 and 1,000 grammes to be carried at rates substantially lower than the present international rates has not yet been implemented.

Several Council recommendations have been carried out for telegraph and telephone traffic. On 1 July 1955 the governments re-established uniform telegraph rates (see p. 77) by making domestic rates applicable also to telegrams between Denmark, Norway, and Sweden. As conditions for Finland and Iceland are somewhat different, these countries could not join this arrangement. The telegraph connections with Finland include cables of the private Danish Great Northern Telegraph Company and the cables to Iceland include lines belonging to the "Great Northern" and to the United Kingdom. However, uniform rates were established on 1 July 1955 between Finland and Iceland on one side and the other Nordic States on the other.

In order to ensure special facilities for the press, thereby promoting the exchange of information between the different countries, the Council recommended that the rates be reduced for teletype services, ordinary telex traffic and for regular subscriptions to telex services. This proposal was carried out on 1 January 1956.

Finally, the charges for telephone traffic between South Sweden and East Denmark were lowered on 1 October 1954. The managements of the telephone companies intend to allow further reductions as soon as the capacity of the telephone lines has been expanded sufficiently to cope with the greater volume of traffic resulting from the lower charges.

RAILWAYS AND MOTOR CARS

The third session of the Nordic Council (1955) received a detailed survey of Scandinavian problems of road, water, and air traffic. The discussion of these subjects was concerned mainly with a proposal to co-ordinate railway tariffs for passenger traffic in such a way as to make the whole of Scandinavia one railway tariff unit. At present, the price of tickets is comparatively lower the longer the journey, but only inside the individual countries. Whenever a traveller crosses a national frontier the calculation starts afresh at zero. The idea of lower prices for longer distances inside Scandinavia as a whole is both natural and attractive, but it has one drawback: the earnings of the national railway systems will fall too much, at least initially, and they are all in a precarious financial position. Hence, the idea cannot be realized for the present. The Council was very interested in other steps which the railways have taken to simplify their tariff systems (see p. 78) and asked to be kept informed of future developments in this field. In compliance with this request, the railway administrations now submit reports on the latest results of their co-operation to each Council session.

On one route — from Trondheim in Norway to Östersund in Sweden — railways tariffs were adjusted in 1955 by abolishing the zero point at the frontier between the two countries. This had the effect intended: freight rates were reduced in order to encourage traffic along that route. If Swedish ports are cut off from the sea by ice or — in time of war — by blockade, imports into Sweden and exports from Sweden may go through Trondheim, the harbour of which is never blocked by ice. The vital supply of oil for Sweden was the primary consideration in encouraging this traffic. In 1956 the Norwegian and Swedish governments concluded an agreement under which, for a period of 50 years, Sweden leased a

small area for installation of oil tanks at the easternmost part of the Trondheim Fiord in Norway. The railway from Trondheim to Östersund has sufficient capacity to cope with the traffic envisaged in the immediate future, but a modern highway between the two towns across Storlien was finished in the autumn of 1958. Suggestions have also been made for construction of a pipeline to carry oil across the mountains between the two countries, but so far no steps have been taken to realize this plan.

The road between Trondheim and Östersund, which is now being modernized, is only one of 33 roads crossing the long frontier between Norway and Sweden, but more than three-quarters of the total traffic is concentrated on ten of these roads. At its third, fourth, and fifth sessions, the Council discussed what could be done to facilitate the traffic across the frontier by improving the existing roads or building new ones. At the sixth session a recommendation was finally adopted requesting the governments of Finland, Norway and Sweden to pay special attention to roadbuilding in the northernmost regions of these countries and, if possible, to make specific grants in their budgets for the construction of inter-Nordic roads. Similarly, the Council advocated the linking together of the air routes of these districts so that it would be easier to travel from country to country. At present the air routes do not cross national frontiers in these parts of Scandinavia.

There is immediate relation between these traffic problems and a recommendation which was adopted by the fifth session for development of the economic resources of the northernmost parts of Finland, Norway, and Sweden, the so-called "North Cap" of Scandinavia. Construction of the necessary roads and, possibly, railways is an essential condition for such development.

COACHES AND LORRIES

Already a few roads lead across the frontiers in the Scandinavian "North Cap" and have to some extent opened up that region to tourists. The roads are passable not only for passenger cars but also for tourist coaches. Coaches and lorries have come to play a great and increasing rôle in the traffic across the Scandinavian frontiers, and this has naturally attracted attention to the various statutory and administrative provisions regulating the movements of coaches and lorries across frontiers. Denmark, Norway, and Sweden had already considered an introduction of common rules which would give coaches and lorries from those countries more favourable operating conditions than those accorded to non-Scandinavian vehicles under inter-European agreements. At its third session (1955), the Council asked the governments to facilitate this intra-Scandinavian traffic as much as possible, and additional facilities were introduced even before the road transport agreement between Denmark, Norway, and Sweden was signed in 1955. When Finland joined the Council, the Finnish Government, too, decided to accede to this request.

Facilities were introduced also for ordinary motorists through a number of agreements which were concluded in 1956 between all the Nordic countries except Iceland. Under these agreements, the countries have adopted a uniform arrangement for frontier licence plates for motor vehicles registered in non-Scandinavian countries, and provisional driving licences issued to non-Scandinavians in one country are valid in all the Nordic countries. Facilities have also been introduced for Scandinavians; a holder of a driving licence issued in his home country who takes up permanent residence in another Nordic country will receive a driving licence in the latter country without having to pass a new driving test. A person living in one country may, during temporary stays in

another Nordic country, drive motor vehicles in that country for up to twelve months with a valid driving licence issued in his home country.

ORDINARY TRAFFIC LEGISLATION

At the third Council session (1955) the governments were urged to maintain co-operation in ordinary traffic legislation and to keep under constant review any measures which would further unify traffic regulations in the Nordic countries. An impelling reason for this was the constant rise in the number of motor vehicles crossing Scandinavian frontiers. While valuable results have admittedly been reached during the last 25 years, a number of discrepancies still remain. The most important are that Sweden and Iceland drive on the left, while Denmark, Finland, and Norway keep to the right. A preliminary referendum held in Sweden in the autumn of 1955 showed a very great majority for continuing on the left. The governments referred the further consideration of this problem to the Parliamentary Committee for Freer Traffic. This Committee began its work by drawing up a list of existing discrepancies and suggesting that the governments take an appropriate opportunity to set up a joint committee of traffic experts to prepare identical traffic regulations for all the Nordic countries.

In its report the Committee brought up a point of common interest to all the Nordic countries, namely the persistent rise in the number of traffic accidents, of which an appalling number results in death or disablement. The Committee therefore recommended permanent co-operation in problems involving traffic safety. In a recommendation adopted at its fifth session the Council called upon the governments to give financial support to a comprehensive study of traffic injuries from medical and social-medical angles, to be undertaken by a group of Scandinavian doctors.

The mounting number of traffic accidents has brought into prominence the rôle which alcohol plays in such accidents. All the countries have, of course, laws for punishing drunken driving, but the national definitions of that offence are not entirely identical. In view of the heavy traffic across the frontiers, these discrepancies are dangerous, and the Council has asked the governments to introduce uniform rules in this field. One difficulty arises in this connection; in Norway and Sweden a driver can be punished merely for having more than a certain percentage of alcohol in his blood, while in Denmark it is left to the discretion of the court to decide whether the offence is punishable or not. In Denmark, too, the quantity of alcohol in the blood is an essential factor in deciding the degree of punishment but it does not, as in the other two countries, lead automatically to conviction.

COASTAL TRAFFIC

By a Swedish "Product Edict" of 1724 all foreign vessels are prohibited from engaging in coastal traffic in Swedish territorial waters. Several countries have obtained equal status for their vessels with Swedish vessels through reciprocal agreements. During the period of the Union of Norway and Sweden (1814—1905) the so-called Intra-Union Act (see p. 91 ff.) permitted Norwegian vessels to engage in coastal traffic on the same conditions as Swedish vessels. When the Union was dissolved, Norway lost this privilege and after that time Norwegian vessels were not permitted to engage in coastal traffic in Swedish waters. As a counter-measure Norway in 1906 prohibited Swedish vessels from engaging in Norwegian coastal traffic though there was no Norwegian embargo on vessels from other countries. The Nordic Council found this mutual discrimination unreasonable and requested the governments of the two countries as well as the governments of Denmark and Finland to open bilateral

or multilateral negotiations for abolition of embargoes against each other's shipping.

During 1958 Denmark, Norway and Sweden accepted the Council's proposal and granted each other's shipping the rights suggested. Finland, however, has not yet complied with the recommendation.

LIFE-SAVING IN THE NORTH SEA

Fishermen who regularly sail in the North Sea have repeatedly asked for a vessel to be stationed in that water to help them when in distress. The meteorological authorities have also urged that a ship be stationed in the middle of the North Sea with the double task of sending continuous weather observations to the weather services of North Sea countries and of assisting vessels, fishing cutters and aircraft in distress. A proposal submitted to the Council to this effect received favourable consideration and resulted in a recommendation that the governments investigate this question and approach other North Sea countries which may be interested in sharing the cost of a weather and salvage vessel.

ICELAND'S TRAFFIC PROBLEMS

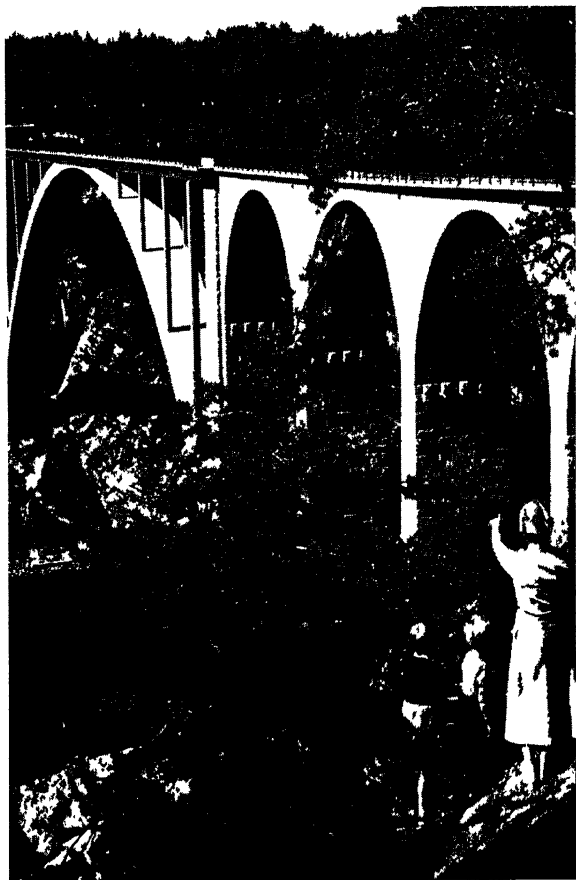
The position of Iceland in the North Atlantic, far removed from the other Nordic countries, poses a special Scandinavian traffic problem. Today, the shipping service is less frequent than it was before the war, a route from Bergen, Norway, having been discontinued. On the other hand, Iceland has been drawn into the air traffic with no less than two Icelandic aviation companies. But this form of travel is still so expensive that too few people can afford it. Easy and comparatively cheap travel facilities are, however, essential to the political, economic and cultural co-

operation between Iceland and the other Nordic countries. This question was discussed in some detail at the third Council session which agreed to ask the governments to set up a parliamentary committee to consider the matter. At the same time the Council suggested that the governments should encourage the traffic connections to Iceland by increasing trade with Iceland and by providing more information about it.

The Committee completed its work in the autumn of 1956 and submitted a report to the fifth Council session. The proposals embodied in the report were discussed by the Council which asked the governments of Iceland and the other Nordic countries to carry them into effect as far as possible. With regard to tourist traffic, the Committee recommended that the other countries should endeavour to make Iceland better known as a tourist country and help widen the general knowledge of and interest in Iceland. Any increase in tourist traffic to Iceland would, however, necessitate the building of more hotels and youth hostels in that country. In view of the high prices in Iceland it would also be desirable to introduce a special Icelandic currency rate for tourists. On the other hand, the present volume of passenger and goods traffic did not justify any extension of the regular traffic between Iceland and the other Nordic countries. It would be useful, however, if closer co-operation were established between the Icelandic and the Danish shipping companies which maintain regular services between the two countries. Their ships should also call more regularly at ports in Norway and western Sweden, as this would very likely stimulate the exchange of goods.



Already by 1952 passports had been abolished for Scandinavians travelling from one Nordic country to another. As non-Scandinavians had still to show their passports each time they crossed a Nordic frontier, two entrances were set up, one for Scandinavians, the other for foreigners. The picture shows two passport officials "unveiling" the signs on the first day of the new measure. Since 1 May 1958 passports have no longer been required for non-Scandinavians either at intra-Scandinavian frontiers



The bridge across Svinesund between Strömstad in Sweden and Halden in the south-eastern part of Norway was opened in 1946. It carries the main road from Copenhagen to Oslo via Gothenburg. The Nordic Council has taken great interest in improved road communications among the Scandinavian countries.

CHAPTER XV

THE NORDIC COUNCIL'S WORK FOR FREER INTRA-SCANDINAVIAN TRAFFIC

In July 1952, in response to a recommendation from the Parliamentary Committee for Freer Traffic, the governments of Denmark, Finland, Norway, and Sweden abolished passports for citizens of the Scandinavian countries (see p. 86). This reform led to immediate and encouraging results. In 1951 (the last calendar year with compulsory passports for Scandinavians) visits between Sweden on the one side to Denmark, Finland, and Norway on the other numbered about 7,5 million. In 1952, when passports were abolished for Scandinavians from mid-July, the number of these intra-Scandinavian travels increased to about 9,5 million. The corresponding figures for 1953 were 11,1 million, for 1954 13,2 million, for 1955 and later years no statistics are available. There is no doubt that the abolition of passports for Scandinavians was the decisive factor in this rapid expansion of intra-Scandinavian travelling.

When the Nordic Council began its activities, it gave vigorous support to the work of the Parliamentary Committee. The Committee itself defined its task as: "To make internal Scandinavian frontiers invisible to the citizens" by reducing the obstacles to intra-Scandinavian travel as much as possible and "to restore the free intercourse which existed in these countries and in most of Europe before 1914".

Besides the abolishment of passports for Scandinavians, the most important result of the Committee's work was the abolishment of residence and working permits for citizens of Denmark, Finland, Norway, and Sweden. This was tantamount to the realization of a common Scandinavian labour market for wage and salary earners (see p. 67).

Tourist traffic benefitted particularly from the action taken by the governments, in compliance with the wishes of the Committee and the Council, to make easier and larger allocations of foreign currency available for journeys inside Scandinavia. In addition, the control of personal luggage and currency was, for all practical purposes, discontinued at frontiers inside Scandinavia. Purchases valued at 350 Danish or Norwegian kroner or 275 Swedish kronor (equal to approximately \$ 50) could be imported free of duty as hand luggage, provided that they were intended for personal use only. While customs authorities did not relinquish the right to examine personal luggage if they suspected smuggling, such examinations were rarely made and only at random. To travellers with dogs and cats it was a great relief when (after 1957) these domestic pets were allowed to enter other Scandinavian countries for visits without quarantine on production of a veterinary certificate of recent date.

The Committee and the Council have tried to facilitate the growing motor traffic across the frontiers in many ways. Motor vehicles from Denmark or Sweden may now be taken into the other country for personal use, free of duty, provided that they are taken out again within one year. Customs control is exercised on the basis of receipts for motor taxes or other relevant documents. During temporary visits to another Nordic country a driver may use his national driving licence. Consideration has also been given to non-Scandinavian tourists. The Council has recommended that *carnets* and similar documents for

non-Scandinavian motor vehicles should be controlled at the outer frontiers of the Scandinavian area and that the previous control at internal Scandinavian frontiers should be discontinued, but this recommendation has not yet been implemented. It is also a concession to non-Scandinavian tourists that temporary driving licences and frontier licence plates issued in one country are valid all over Scandinavia.

One of the major items on the list of the Committee's and the Council's wishes was realized in the spring of 1958. From 1 April passport control was abolished also for non-Scandinavians at all interior Scandinavian frontiers; since then passports have been controlled at the ports of entry into the Nordic area so that non-Scandinavian travellers will have to produce their passports only on entering the Nordic area from outside. Inside that area, they can travel as freely as Scandinavians do. Citizens of countries for which one of the Nordic countries requires visas must fill in a control card on entering the Scandinavian area; on their departure, a report will be sent to the central alien authority of the country of entry. The introduction of this Scandinavian "passport union" will, however, entail additional Nordic co-operation; the authorities will have to adopt a common system for the issue of visas, control of aliens must be co-ordinated, and each country will have to add to its list of expulsion-orders the names of all non-Scandinavians expelled from other Nordic countries.

This Scandinavian "passport union" will not only reduce the work of frontier officials in the individual countries and make travelling easier for the numerous foreign tourists entering Scandinavia (who often visit several of the countries on the same trip), but will also be new evidence of Nordic unity and co-operation.

On the recommendation of the Council the Norwegian and Swedish governments have organized co-operation between their customs authorities at all crossings on their

long common frontier. The Norwegian customs officials act for their Swedish colleagues and vice versa and in keeping with this double authority they carry the badges of both services. This arrangement has made it possible to reduce the number of customs officials and close down a number of custom-houses.

In the autumn of 1956 the Parliamentary Committee for Freer Traffic decided to discontinue its activities. The Committee felt, and justifiably so, that it had completed the tasks assigned to it five years before. Moreover, the background of its activities had changed; having been set up before the Nordic Council had been established, it had served as a link between the Scandinavian parliaments. But after all five of the Nordic countries had joined the Council there was no longer, in the opinion of the Committee, any need for a separate organ of this size. In a final report the Committee gave an account of the proposals it had prepared and described to what extent they had been realized.

At its fifth session in 1957 the Council decided to ask the governments to set up a new joint body for traffic problems to replace the Parliamentary Committee. This would resemble the former committee and be given similar tasks, but it was to be smaller; its work would parallel that of the permanent committees for legal, cultural, social, and economic co-operation. In compliance with the request of the Council the governments in the summer of 1957 appointed nine members in all to sit on The Scandinavian Traffic Committee. In another recommendation the Council asked the governments to state their position in regard to the unfinished projects proposed by the late Parliamentary Committee. In this way the Council will see that the proposals of that committee are followed up in all respects.

CHAPTER XVI

THE NORDIC COUNCIL AND A COMMON NORDIC MARKET

ECONOMIC COMMITTEE'S REPORT IN THE SPRING OF 1954

As the tariff question was still being studied by a committee of experts, the Nordic Council did not discuss it in any detail at its first session, but merely asked the committee to have its final report ready by the following session in August 1954 (see p. 100). The report was completed in the spring of 1954 and submitted to the second session of the Nordic Council in August. In compliance with its terms of reference, the committee had concentrated its studies on 20-30 branches of industry, in order to ascertain whether a common market could be established for some or all of them. This investigation was conducted in close co-operation with representatives of the industries involved.

The committee's studies had been confined to manufacturing industries, as it had already been agreed during the negotiations which led to the provisional report of 1950 that for the time being agricultural products could not be included in a common market. This decision was motivated by the climatic and soil conditions under which Norwegian and Swedish farming operate. Much of the land in those countries is greatly inferior to Danish soil and the climates are much more severe. Both Norway and Sweden, therefore, subsidize agriculture under

schemes which keep the domestic prices considerably above the level of world-market prices. Such schemes are practicable because as a rule nearly all Norwegian and Swedish farm products are sold on the home markets. Denmark, on the other hand, sells most of her agricultural products on the world market and the Danish home market prices are adjusted accordingly.

Under these circumstances, both Norway and Sweden fear that their farming industries would be exposed to ruinous competition if Danish farm products were allowed free access to the Norwegian and Swedish markets. For both economic and political reasons, therefore, a common market embracing agricultural products would be unacceptable to those countries. It is the general opinion, both in Norway and Sweden, that their farming industries must be preserved in order to ensure the greatest possible supply of farm products in the event of a blockade resulting from war. Moreover, it is felt that the depopulation of large areas in both countries, which would be inevitable if the basis for the existence of the farming population were to disappear, or materially deteriorate, would have undesirable social consequences.

If Denmark were to insist that a common market for Scandinavia should include the free flow of agricultural products across the frontiers, the idea of a common market would not be acceptable either in Norway or Sweden — a fact of which the leaders of Danish agriculture are well aware. The question has been discussed by the Board of the Federation of Scandinavian Agricultural Organizations and the Danish farmers have agreed — though reluctantly — that even if a free and common market is established for certain industrial products, intra-Scandinavian trade in agricultural products must still be subject to restrictions. In the course of these discussions, the agricultural organizations offered to administer the necessary restrictions along lines approved by government authorities.

Most of the Danish and Swedish industries investigated by the Committee were in favour of a common Scandinavian market for their products. Among the Norwegian industries, however, very few endorsed the idea. The Committee also discussed the problem with leaders of the Scandinavian trade union movement and here, too, the Danish and Swedish representatives were in favour of a common market while the Norwegians were somewhat more hesitant, fearing that it would cause unemployment in Norwegian industries. Nevertheless, the national trade unions federations of each of the three countries, in a joint communiqué, expressed themselves in favour of an extended Scandinavian market.

Before summarizing its own views in its report, the Committee set forth various factors which, in its opinion, favoured the establishment of a common market. It began by pointing out that the discussion had so far been concerned mainly with the short-term difficulties rather than with the advantages to be derived from, and the favourable conditions for, the success of a common market.

It went on to stress that not only did the peoples of Norway, Sweden, and Denmark speak more or less the same language, but they were also closely bound by common cultural ties. They shared, to a very large extent, the same laws, particularly in the sphere of commercial legislation; passports had been abolished for intra-Scandinavian travel, and the whole of Scandinavia was now one common labour market for all Nordic wage-earners. Furthermore, the benefits accorded to citizens by the social legislation of any one of the countries were, on the whole, available to citizens of the other countries as well. There was intimate contact between the political parties of the three nations, between their labour organizations, and in many cases between individual sectors of economic life, and even between individual industries.

The Committee also stressed the great importance of the relative equality in wage levels in the three countries,

and finally it pointed out that full employment is one of the major objectives of each country's economic policy. In reference to this, the report said: "This concordance in primary goals is a very significant foundation on which to build a common market."

In view of the great differences in the opinions expressed by the spokesmen for the various industries, however, it is not surprising that the Committee could not agree on a common conclusion in the final report to the Governments.

The Danish and the Swedish members issued a joint statement in which they declared that the investigation of the various branches of industry had corroborated the view, expressed in the provisional report of 1950, that a common market would, in the long run, be an advantage to Scandinavia as a whole. The short-term drawbacks and transitional difficulties referred to in the 1950-report were no longer of the same significance. A common market would result in a better division of labour among the countries and this, in turn, would improve their competitive ability and enable them to take up new productions for which the present national homemarkets were far too small. By and large, developments along these lines would pave the way for a higher standard of living in Scandinavia.

Transitional difficulties would admittedly be inevitable, and the plans for implementation of the common market and the removal of tariff barriers and restrictions should, therefore, be sufficiently adaptable to allow for such difficulties. In the opinion of the Danish and Swedish members, however, the period of transition and adaptation should not exceed 10 years. Coincident with the removal of trade barriers long-term loans should be made available for modernization of plants, and short-term buffer credits should smooth out incidental fluctuations in mutual payments.

On the strength of their analysis, the Danish and Swed-

ish committee members urged the Scandinavian governments to open concrete negotiations immediately for the establishment of a common market for eight industries. Such negotiations, however, should only be a preliminary step towards further integration of markets for 21 industries, and later for even more industries. The eight industries recommended as forerunners of the common market were: furniture, heavy chemicals, dyes and lacquers, porcelain, leather and footwear, textiles, agricultural machinery and machine tools, and radio sets and accessories.

While the Danish/Swedish standpoint was very positive, the Norwegian members of the Committee were critical and reserved. They pointed out that Norway would derive very little benefit from a common market inasmuch as her most important export commodities could already be imported free of duty into the other Scandinavian countries. Moreover, competition from the other Scandinavian countries would place Norwegian industry in a serious predicament if tariff walls were removed inside Scandinavia. The existing tariff protection was higher in Norway than in the other two countries, and if uniform tariffs were to be applied vis-à-vis non-Scandinavian countries, the overall average of the new tariff rates would probably be lower than that of the existing Norwegian rates. The Norwegian industries would thus have to face not only keener competition from Danish and Swedish industries on the Norwegian home market, but would also be exposed to increased pressure from non-Scandinavian industries which would have easier access to the Norwegian market.

The Norwegians further pointed out that Norway's industries had so far catered mainly to the home market and had therefore not developed any marketing organizations in Denmark and Sweden, while Danish and Swedish industries were accustomed to working in export markets, and many of them had already established

marketing organizations in Norway. Even where quality and prices were competitive, it might therefore be difficult to introduce Norwegian products in the other Scandinavian countries.

Norwegian industry was frequently handicapped by the higher cost of raw materials due to the higher general tariff level in Norway. Many Norwegian plants were often situated at great distances from markets, in localities where they were an essential factor in local economy. If outside competition forced such plants to curtail their production, it might be very difficult for their workers to find other employment in the locality.

As in 1950, the Norwegian spokesmen again stressed the special difficulties which Norwegian industry had suffered from the war and the occupation of Norway. Furthermore, the Norwegian committee members reiterated the points brought up by the Norwegian industrial representatives: the Norwegian industries had to pay higher taxes, operated under less favourable rules on tax-free depreciations and were subject to more and more restrictive price controls than the industries of the two other countries. All of these factors placed Norwegian industries in a weaker position than Danish and Swedish industries.

The conclusion of all these arguments was that the Norwegian committee members rejected the idea of a common Scandinavian market.

When the Committee's report had been submitted to the Governments, the Norwegian Government, in June 1954, issued a statement which was much more favourable than the views expressed by the Norwegian committee members. It endorsed the general idea of a common market but suggested a different approach. Instead of beginning with existing industries, for which difficulties might arise, it recommended the establishment of entirely new industries for which there was no economic basis in a small home market but which would undoubtedly

flourish in the wider field offered by a common Scandinavian market.

The Norwegian Government further recommended a large-scale plan for Scandinavian co-operation in the production of electric power through the development of Norwegian waterfalls with the help of Danish and Swedish manpower and capital, and the transmission of electricity to Denmark and Sweden.

Finally, the Norwegian Government proposed co-operation in industrial research with a view to improving the competitive ability of Scandinavian industries.

This was, in other words, an entirely new co-operation programme, which virtually set aside the Norwegian part of the Committee's report.

THE NORDIC COUNCIL ADOPTS A RECOMMENDATION FOR A COMMON MARKET AUGUST 1954

Such was the situation when the Nordic Council met at Oslo, in August 1954, for its second session. The agenda comprised two main proposals: that of the Danish/Swedish committee members for a common market for existing industries as well as new ones, and the Norwegian Government's proposal for joint action in the setting up of new industries based on large-scale production. In the course of the negotiations the Council reached agreement on a compromise between the Norwegian and the Danish-Swedish proposals, although unanimity was not attained. All the Danish and Swedish members, and three of Iceland's five members, voted for the compromise proposal. The Norwegian delegation split over the vote; one half of the delegation — eight members — representing the Government party (the Labour Party) voted with the Danes and the Swedes. The other eight members of the Norwegian delegation, all of whom represented non-Socialist parties, did not support the proposal. In view

of the fact that the matter had not yet been considered by the Norwegian Storting, the representatives of the Norwegian opposition moved that the proposal be referred to the third Council session, which was to be held in Stockholm six months later. This motion was rejected by 43 votes to 8, while two members were absent. The majority's proposal for a recommendation was thereupon carried by 43 votes to 0. One member was absent, and there were 9 abstentions.

In the introduction to the recommendation, the Council expressed its conviction that a common market would contribute towards a better division of labour and involve many other advantages, not only to Scandinavia as a whole, but also to the individual countries. The Council therefore urged the governments to pave the way for a common market for as large areas of economic life as possible. To that end, the Scandinavian countries should endeavour to establish common tariff rates vis-à-vis other countries, and take steps to remove tariffs and trade barriers between themselves.

One item of the recommendation was of particular interest. The Council declared that a common market could be implemented in various manners and at varying paces for individual sectors of industry and for each of the participating countries. This was a clear indication that, after the establishment of a common tariff for the whole of Scandinavia, Denmark and Sweden could abolish all tariffs for commodities which were incorporated in the common market, while Norway could maintain such tariffs in full or in part for a certain term of years.

This part of the recommendation was in compliance with the wishes expressed especially by Denmark and Sweden before the Council meeting, but the views of the Norwegian Government were also faithfully observed. Thus, the recommendation expressly urged the governments to start negotiations on concrete problems which would raise the level of productivity and the standard of

living of the Scandinavian countries, notably the production and transmission of electricity, but also technological, agricultural and other research work.

Incidentally, a large-scale plan for co-operation in the production and distribution of electric power had already been discussed by the Danish, Norwegian and Swedish Governments during 1948-51. Under this project, Norway was to contribute the waterfalls, Denmark was to finance the construction of power stations, partly by Danish capital and partly by international loans and, finally, Sweden was to assist in the transmission of power from Norway to Denmark through large cables along the Swedish west coast. At the time, however, it was impossible to agree on the conditions for the project.

In the meantime, the City of Stockholm and the City of Trondheim had opened negotiations for development of waterfalls in the Nea River near Trondheim, Norway, by means of Swedish loans. Stockholm was to buy a certain amount of electric power from the new plant, while the remainder was to be made available to Norwegian consumers. In November 1955, the Norwegian Storting approved the plan, which was put into operation forthwith.

THE GOVERNMENTS ESTABLISH A FRAMEWORK FOR THE PREPARATION OF A COMMON MARKET

In the Nordic Council's discussions of the recommendation for a common market and for co-operation in production, representatives of the Governments of Denmark, Norway, and Sweden endorsed the recommendation and announced that the governments would take action to implement it. For the purpose of co-ordinating the preparatory investigations, a conference of the Prime Ministers, Foreign Ministers and Ministers of Finance, Commerce, and a few other departments from Denmark, Norway and Sweden was convened by Sweden at Harpsund,

the official country house of the Swedish Prime Minister, on 30 and 31 October 1954.

The Conference decided to appoint one cabinet minister from each country to form a Ministerial Committee which was to be responsible for the planning and organization of economic co-operation. The Conference also set up a Scandinavian Co-operation Committee consisting of three or four government officials from each country, who, with expert assistance, were to undertake the necessary investigations. Finally, each country's members of the Co-operation Committee were to form a national committee which would be responsible for the co-ordination of internal administrative work and maintain close contacts with industrial, business, and labour organizations.

The Harpsund Conference also laid down principles for the initial work required for the implementation of the Nordic Council's recommendation. The first problem to be tackled was to prepare a survey of intra-Scandinavian trade, in order to see in what fields customs duties and quantitative restrictions either did not exist or were of so little significance that it would be easy to start a common market for these sectors. The next step would be to ascertain in what other sectors the advantages of a common market would outweigh the drawbacks for all three countries. The following industrial sectors were expressly mentioned as fields meriting examination: chemicals, medicinal articles, iron and steel, electrometallurgical and electrotechnical industries and, finally, raw materials and semi-manufactures for the metal-producing industries.

The Conference also instructed the Ministerial Committee to find out whether there were any branches in which a co-ordination or expansion of production through joint action would be advantageous.

An important task of the Ministerial Committee was to define the conditions which must be fulfilled so that a common Scandinavian market would be compatible

with endeavours to expand trade with non-Scandinavian countries, and with commitments which result from membership in international organizations, notably the General Agreement on Tariffs and Trade (GATT).

A special Norwegian wish was complied with by the decision to extend the scope of the investigations to cover the relative competitive ability of the industries of the three countries, involving such problems as subsidies, wage and interest levels, taxation, and regulations governing depreciation.

Finally, the Harpsund Conference instructed the Ministerial Committee to prepare a uniform tariff nomenclature on the basis of the Brussels Nomenclature as well as a uniform nomenclature for trade statistics.

PROVISIONAL REPORT ON THE COMMON MARKET 1956

The various committees and expert groups set up by the Harpsund Conference went to work immediately. Shortly afterwards, late in January 1955, the Nordic Council met in Stockholm for its third session. The Nordic Economic Co-operation Committee could not, of course, have any results ready for the Council so soon after it had been set up. The Council, while being aware of this, expressed its firm hope that concrete proposals would be submitted to its fourth session. Early in January 1956 the Economic Co-operation Committee submitted a comprehensive provisional report to the Council.

The Committee had studied the commodity groups on which the Harpsund Conference had agreed and had also decided to include the important machinery section in its studies. In addition to its other terms of reference as defined at Harpsund, the Committee took up some general problems including common measures against dumping, legislation and administrative practices adopted

for price controls, price agreements and monopolies in the three countries, co-operation in investment activities, integration of transitional measures, building legislation and standardization of building materials, double taxation, and exhibitions and trade fairs held in other countries. The Committee also sent an expert group to the Benelux countries to study their economic co-operation. The report of that study group was incorporated in the Committee's report.

The Committee began its work by making a statistical study of intra-Scandinavian trade in 1953. The result was published in June 1955 in a booklet entitled "Nordisk Samhandel" (Intra-Scandinavian Trade).

This study showed that the combined imports of the three countries totalled 2,657 million Danish kroner in 1953, equal to approximately 11 per cent of their total imports from all countries. The corresponding export figures were 2,504 million Danish kroner and 12.5 per cent. The commodity groups reviewed represented 1,837 million Danish kroner, equal to 69.2 per cent of the total trade between the three Nordic countries. They included the following groups:

Relatively duty-free commodity groups...	32.9	per	cent
Iron and steel	4.3	"	"
Metals and semi-manufactures	6.5	"	"
Chemicals and medicinal articles	10.6	"	"
Electro-technical articles	4.7	"	"
Machinery	10.2	"	"
Total of commodities studied	69.2	per	cent

In June 1956 the governments decided to take up further commodity groups for consideration, especially a variety of manufactures and building articles of iron and metals, ceramic articles, furniture, rubber products, motor cars, chocolate, confectionary, and tobacco. These new groups, which totalled 6 per cent of intra-Scandinavian

trade, brought the groups covered by the investigations of the Committee up to about 75 per cent of intra-Scandinavian trade. Among the commodities outside the scope of the investigations, agricultural products and food represented 13 per cent and textiles about 5 per cent of total intra-Scandinavian trade.

When the Committee submitted its provisional report, it had only had time to study the relatively free commodity groups, iron and steel, and metals and semi-manufactures which, as shown above, represented about 45 per cent of the total intra-Scandinavian trade. For each item included in these groups the report contained a concrete proposal for a tariff rate in a new common Scandinavian customs tariff to be applicable to non-Scandinavian countries. The Committee's report also contained proposals for potential quantitative import and export restrictions and for transitional arrangements for commodities where temporary restrictions might be necessary in order to prevent excessive dislocation when intra-Scandinavian trade would be liberalized entirely. As a general rule, any such arrangements were to be limited to five or, in very exceptional cases, to ten years.

COMMON MARKET DEBATE AT THE FOURTH COUNCIL SESSION IN 1956

In compliance with the express desire of the Nordic Council, the Economic Co-operation Committee submitted its provisional report to the 1956 session although at the time it had only got half-way through its studies. The Council desired to arouse the interest of the people of the Nordic countries in this great issue by placing the common market on its agenda and holding a debate on it. The Council did not intend, at that stage of its investigations, to reach any final conclusions on the facts of the report or on any specific proposals for custom tariffs and

transitional measures. Such decisions would obviously have to await the final report. The Council's discussion at the fourth session in Copenhagen early in 1956 resulted, as intended, in a unanimous request to the Committee to pursue its work vigorously and complete it by the summer of 1957.

Although no decisions were made which went beyond the recommendation adopted in Oslo (1954), the fourth session nevertheless held an instructive discussion on the common market. The debate was on a very high parliamentary level with contributions by leading politicians from all of the Nordic countries. Opponents as well as advocates of Scandinavian economic co-operation had ample opportunity to put forward their arguments, and the general public could follow the lively discussions in full press reports and radio and television broadcasts.

By and large there was no difference between the grouping of opponents and advocates of the common market in Oslo in 1954 and in Copenhagen in 1956. Half of the Norwegian delegation to the Nordic Council which had been elected by the non-Socialist opposition parties was prepared, immediately and without awaiting the final report from the Co-operation Committee, to declare that a common Scandinavian market would involve more drawbacks than advantages to Norway. The Norwegian opposition's objections were both of a political and an economic nature.

At the political level, it was argued that a common market would gradually, but inevitably, develop into a regular customs union which, with equal inevitability, would lead to the establishment of supra-national bodies, or even to political integration. This would gradually result in encroachments upon the authority of the national parliaments and the individual countries would lose essential elements of their sovereignty.

Several economic objections were raised by the Norwegian opposition. No less than 80 per cent of Norwegian

exports could already be imported into Denmark and Sweden free of duty, while only 50 per cent of the commodities imported by Norway from the other two countries were free of duty; Norway had therefore less to gain than the other countries by abolishing its customs barriers. Norwegian industry could not compete with the Swedish and the Danish industries, mainly because it was saddled with much higher taxes and handicapped by less favourable depreciation allowances than the Swedish and the Danish industries. If Norwegian domestic industries were deprived of their tariff protection, they would be exposed to damaging competition which would result in unemployment and great difficulties in those areas where livelihood depended on such industries. The Norwegian critics further stressed very insistently that Norway's participation in a common Scandinavian market with a common tariff vis-à-vis non-Scandinavian countries would have adverse repercussions on Norwegian commercial policy. Norwegian export industries in general and Norwegian shipping in particular would expose themselves to counter measures, especially from the United Kingdom, if Norway were to shift its purchases from present suppliers to the other Nordic countries as a result of a common Scandinavian market.

The advocates of the common market, on the other hand, were convinced that all of the countries — and, in the long run, especially Norway — would benefit from a common market. Against their opponents' assertion that co-ordination of economic and financial policies would be a necessary preliminary, the advocates cited the developments in the Benelux countries where there had been very little co-ordination in these respects. Pointing to the extended self-government accorded to the members of the British Commonwealth during the very years in which they increased their economic co-operation, the advocates discounted the fear that the common market would entail wider political integration and supra-national bodies.

Nor could they share the concern felt by the Norwegian critics about commercial reprisals. When foreign countries chartered Norwegian ships or bought Norwegian goods, they did so because they found it advantageous. There was no reason to fear that an expanding Scandinavian economy — which was the object of the common market — would entail lower imports from the United Kingdom. On the contrary, Britain would have a chance to increase its exports to an area which would be one of the largest and best markets of Europe. The advocates of the common market further stressed that the Scandinavian countries, acting as a unit of 15—18 million people with a high standard of living, would have a better bargaining position in trade negotiations.

The advocates of the common market emphasized the advantages which it would involve in production. With a bigger market as a basis for their economic activity, the Nordic countries would be in a better position to resist the impact of upheavals in international economy. All three countries had weak balances of payments and adverse balances of trade, especially with Germany. More competitive industrial exports were essential to enable them to strengthen their currency reserves and raise their standard of living, but this, in turn, required a bigger home market. It was generally agreed that the common market should be established in conjunction with a vigorous industrial expansion. New factories must be built and existing plants expanded to an extent which would outweigh the closing down or contraction of existing enterprises which fell victims to specialization. The greater common market would make possible new plants which could stand up to international competition. Such plants could not succeed in the existing situation of tariff walls and small markets. The common market would therefore also generate an expansion of trade with other countries instead of leading to further economic isolation.

The representatives of Finland, who took part in the deliberations of the Nordic Council for the first time at the fourth session, stated that in principle they were keenly interested in the common market. They endorsed the request for the Economic Co-operation Committee to continue its studies, but the Finnish Council members were not prepared to commit themselves on the problems until their own experts had studied them. They were afraid, however, that Finland's great economic difficulties would not yet permit their country to become an active member of the common Scandinavian market. Immediately after the end of the Council session, the Government of Finland set up expert committees which, with great energy, soon caught up with the other countries in the investigatory work. In August 1956, the Finnish Government placed a cabinet minister in charge of Finland's co-operation with the other Nordic countries and appointed members to the Co-operation Committee. In the autumn of 1956 the Scandinavian ministers in charge of economic co-operation declared that Finland had now made sufficient progress in its investigations to enable it to take part in the work regarding the common market, on equal terms with Denmark, Norway, and Sweden.

THE SCANDINAVIAN COMMON MARKET AND THE PLANS FOR A EUROPEAN MARKET

When the fourth session of the Nordic Council concluded its debate in February 1956 by requesting the Economic Co-operation Committee to complete its studies as soon as possible, asking for the final report by the summer of 1957, the Council did not expect to concern itself with problems of intra-Scandinavian trade until the Committee had submitted that report. However, when the Nordic Council met for its fifth session at Helsinki in February 1957, events which had occurred in the

meantime in the rest of Europe had caused Scandinavian economic co-operation to be viewed in a new light.

At the fourth session in Copenhagen (early 1956) a speaker drew attention to the fact that representatives of the three Benelux countries and of Western Germany, France and Italy had, a few months earlier, reached a political decision which would, in fact, result in the establishment of a great common market as well as in co-operation in the field of atomic energy. The speaker was referring to the member countries of the European Coal and Steel Community which, at a meeting at Messina in June 1955, had set up a government committee to draft proposals for a common European market and for nuclear co-operation. At a meeting in Venice in May 1956 the foreign ministers of the Six Countries approved a report submitted by the government committee and agreed on the lines for future action in this matter.

The Six Countries intended not only to establish a customs union, free from internal tariff walls and trade restrictions, but to introduce a common tariff vis-à-vis other countries. This ambitious plan envisaged full economic union with co-ordinated fiscal, social, agricultural, and transport policies, free movement of capital and labour, large investment funds to support the weaker partners during the process of transition, and the promotion in general of an expanding economy. The plan also involved the establishment of a number of joint agencies to implement the common market. Decisions in these agencies would be taken by majority votes. This economic union would be realized in successive stages over 12-15 years. The Six Countries intimated that other countries of western Europe would be welcome to join the planned customs union.

The possibility that the Six Countries with a total population of 160 million might be transformed, over a comparatively short term of years, into an integrated economic area, free from all trade barriers, made a great

impression on the rest of western Europe, and especially on the United Kingdom. Britain realized that most of its market in the Six Countries would be lost if it were left outside the proposed customs union of the continental countries. On the other hand, the United Kingdom was not in a position to join a customs union with a common tariff binding upon all the members because this would prevent it from according to the other nations of the British Commonwealth the preferential tariff rates and other concessions which were still the cornerstone of the economic policy of the Commonwealth.

In this difficult situation, the British Conservative government asked the Organisation for European Economic Co-operation (OEEC) to study whether or not it would be possible to associate the other countries of western Europe, including the United Kingdom, with the customs union of the Six Countries by establishing a free-trade area comprising both groups of states. In such a free-trade area the participating countries were to abolish their mutual tariffs and trade restrictions, while each country would still be able to pursue its own commercial and tariff policies vis-à-vis countries outside the free-trade area. This meant that the United Kingdom would still be able to give preference to the Commonwealth nations at the expense of other countries outside the free-trade area. As this in itself would not be sufficient to ensure the necessary preferential treatment for the Commonwealth countries in the British market the British Government in September 1956 declared that it would be an absolute condition for British participation in the free-trade area that food products, fodder, beverages and tobacco — in other words, "food for humans and animals" — were kept outside the scope of the free-trade area. The consequence of this British reservation would be that the United Kingdom would be able, even after the establishment of a free-trade area, to give preference to imports of food and fodder from Commonwealth coun-

tries rather than from countries inside the free-trade area. The United Kingdom would, in other words, secure free access for its manufactures to all parts of the free-trade area while refusing to give food products and fodder from free-trade-area countries the same rights on the British market.

It is no wonder that these epoch-making European plans immediately led to lively discussions in all Scandinavian countries. The prevailing opinion in Denmark, Norway, and Sweden was that if the United Kingdom joined the free-trade area, the Nordic countries would have no option but to do so, too. However great the difficulties they might have to face they were simply compelled to follow the United Kingdom because they could not afford to remain outside. On the other hand, their industries could hope for great advantages from access to a duty-free area with a population of 240 million and a production which represented a value of 180 milliard dollars in 1955. The great problem for the Nordic countries was that the United Kingdom insisted on keeping food products and fodder outside the free-trade area. In the case of Norway, this would mean that 20 per cent of Norwegian exports — fish, fish products and whale oil — was to be kept out. On the other hand, Norway was in full agreement with the British view on agricultural products. Sweden, which exports a certain amount of agricultural products, and especially Denmark, which sells 50 per cent of its important agricultural exports to the United Kingdom and 40 per cent to the Six Countries, protested vigorously against the British veto. During the continued negotiations in OEEC, Denmark and Sweden worked in close collaboration in order to secure the best possible conditions for food products and fodder in the free-trade area. Denmark was in a particularly precarious situation because the plan for a customs union of the six countries of the Coal and Steel Community would place Denmark's most dangerous competitor on the West Ger-

man market, the Netherlands, inside the high tariff walls of the continental block while Denmark would be left outside.

This entirely new situation in commercial policy, which had arisen rather suddenly, made consultation among Scandinavian parliamentarians essential. Here was a concrete situation which graphically revealed the value of the Nordic Council, now the natural forum for negotiations regarding this far-reaching problem. On the initiative of the Council's Presidium it was decided that the fifth session of the Nordic Council, which was to meet in Helsinki in February 1957, would discuss the relations between the planned common market for Scandinavia and the European plans, first behind the closed doors of the Economic Committee and then in plenary session.

When the Council met in Helsinki on 15 February 1957, the Six Countries had drafted a treaty establishing the customs union, and it was almost certain that it would be signed by the governments four or five weeks later. One week before the Council met, the member countries of OEEC had decided to prepare a draft treaty for a free-trade area comprising the Six Countries and the other members of OEEC. This was the background against which the Nordic Council began its economic debate in Helsinki.

THE NORDIC COMMON MARKET AND EUROPEAN FREE TRADE AT THE HELSINKI SESSION IN 1957

The session in Helsinki agreed to abstain from a repetition of the debate on the principles and pros and cons of a common market in Scandinavia. A new general debate on these issues was not to be held until the Nordic Economic Co-operation Committee had published its final report. There was general agreement that if the free-trade

area came into existence the Nordic countries should join it. In these circumstances the discussions in Helsinki were concerned almost exclusively with the problem of whether Denmark, Norway and Sweden besides joining the free-trade area should also establish a common Nordic market in which Finland could participate without having to enter the wider organization. There was no doubt that technically it would be feasible to combine a Nordic customs union with a European free-trade area. Such a combination would form a direct parallel to the association of the customs union of the Six Countries with the free-trade area. The differences of opinion voiced in Helsinki were therefore concerned with whether or not it would serve any useful purpose — or perhaps even be harmful — to set up a common market in Scandinavia when the trade barriers between the Nordic countries could be expected to disappear in any case as soon as a free-trade area was established.

The representatives of the Norwegian non-Socialist parties who had opposed an isolated Nordic customs union also opposed the idea of a Nordic customs union within the framework of a European free-trade area. Since the Nordic customs union was intended to become operative several years before the free-trade area had reached its final form, the process of transition would, in the opinion of the Norwegian critics, be all the more difficult and involve serious risks of unfortunate investments. The Norwegian non-Socialist delegates were also opposed to a common Scandinavian tariff within a free-trade area. They argued that any such common tariff would hamper Norway's external freedom of action; in the interest of the Norwegian shipping trade they found it preferable for Norway to be as free and uncommitted as possible in its commercial policy vis-à-vis other countries. If, on the other hand, Norway were to join the free-trade area only, remaining aloof from all customs unions, it could retain its tariff and its freedom of action

vis-à-vis countries outside the free-trade area. From these considerations the Norwegian non-Socialist delegates drew the conclusion that the establishment of a Nordic common market prior to a European free-trade area would not be a starting-point for the latter, as the advocates of the Nordic customs union maintained, but would lead into a *cul de sac* from which Norway would later be obliged to extricate itself.

At the Helsinki session, however, Norwegian criticism of the customs union was much less emphatic than it had been at Copenhagen in the previous year. This was due largely to the fact that the Norwegian opponents of a common market, who now saw possibilities of joining the wider market they preferred to the Nordic market, were perfectly well aware that a European free-trade area would not only offer greater advantages to the Norwegian economy but also involve the latter in difficulties that would be much greater than those which a Nordic customs union might cause. It was also interesting to note how strongly the Norwegian opponents of the customs union now stressed the other advantages inherent in Scandinavian economic co-operation, such as industrial specialization, the Investment Bank, and co-operation in technical training, education and research.

The advocates of the common Nordic market — the Danish, Finnish and Swedish delegates and the representatives of the Norwegian Labour Party — regarded the plans for a European free-trade area as an additional and strong incentive to the Nordic countries to establish a customs union. Such a step would place the Nordic countries in an advantageous position in as much as they could negotiate jointly in the discussions about the establishment of a free-trade area. Joint action in commercial policy would also be useful in other respects, for instance vis-à-vis the big international cartels. The Nordic countries would likewise have a common interest in defending their social standards against outside tenden-

cies to lower them. Special weight was given to the possibility for Nordic industries to adapt themselves to keener competition in a greater Nordic home market before they would have to cope with the much more powerful industries of western Europe, notably of western Germany.

It was emphasized very strongly by the advocates of the Nordic customs union, that even if free-trade in Europe would remove the tariff barriers between the Nordic countries, the plans for Nordic economic co-operation had a much wider aim than the mere elimination of tariff frontiers. The Nordic plans envisaged industrial co-operation and financial assistance for modernization and reorganization of production as well as comprehensive programmes in the fields of scientific and technological co-operation. Far from being incompatible, the Nordic common market and the European free-trade area would be mutually complementary. The advocates of the Nordic customs union could not imagine how the establishment of a common Scandinavian market prior to a planned entry into the free-trade area could result in undesirable investments. Businessmen and industrialists would certainly use their common sense and plan their investments on the assumption that the tariff barriers vis-à-vis the rest of Europe would soon disappear.

The spokesman of the Danish delegation emphasized Denmark's special position with regard to the European market plans. In the coming Paris negotiations for a free-trade area, he said, the Scandinavian countries must avoid anything that might jeopardize the creation of a Nordic market, but neither should they bind themselves to any decisions on the Nordic level which would limit their liberty of action regarding the European plans for economic co-operation. Referring to "Denmark's particularly difficult position", he declared that it was necessary for Denmark "to keep every avenue open" and he appealed to Norway and Sweden to give Denmark "every

support that they found compatible with their own interests" in the negotiations at Paris. A satisfactory solution to the problem of agricultural exports was absolutely essential for Denmark and would therefore be of crucial importance to Nordic economic co-operation. These cautious words, spoken by an ardent advocate of the Nordic common market, suggested that Denmark might, in adverse conditions, be faced with the painful choice between a Nordic customs union and the common market of the Six Countries.

The purpose of the discussion of the common market at Helsinki was only to give members an opportunity to inform each other — and the general public — of their views on Nordic economic co-operation in the light of the new situation arising out of the rapid progress achieved towards European integration. It was not the intention of the Council to make new decisions in this matter. The Nordic Council therefore confined itself to a unanimous statement expressing satisfaction that the report of the Nordic Economic Co-operation Committee would be ready by about 1 July 1957 and that this report would, as far as possible, analyze the relationship between the Nordic and the European endeavours in the direction of freer trade. The Council also authorized the Presidium to convene the Council's Committee for Economic Questions to meet before the next Council session if the Presidium found such a meeting desirable.

FINAL REPORT OF THE NORDIC ECONOMIC CO-OPERATION COMMITTEE 1957

The final report of the Nordic Economic Co-operation Committee was completed in July 1957 and submitted to the four ministers of Denmark, Finland, Norway and Sweden who had directed the Committee's work. The report, which was published on 21 October 1957, attrac-

ted great attention in all of the Nordic countries. It was a weighty document, both in form and content. Under the title "Nordic Economic Co-operation", five volumes were published totalling nearly 1,400 pages; 800 of these, however, consisted of proposals for a new common customs tariff with transitional schemes and for new uniform commodity trade statistics. The main ideas of the report are outlined in the first volume, the General Part of the report, which comprises the plan for increased economic co-operation*).

The second volume contains a review of the individual commodity groups. The third deals with a number of special co-operation problems and the last two volumes contain the above-mentioned proposals for a customs tariff and uniform trade statistics.

By way of introduction the report gives a detailed analysis of problems in Nordic economy**). The main conclusion of that analysis is as follows: —

Economic expansion in the Nordic countries, except in Denmark, has so far been connected mainly with the production of raw materials and semi-manufactures based on domestic sources of raw materials and energy. If the countries are to maintain full employment and attain a satisfactory rate of growth in their economies, it will be necessary to raise the value of production by more intensive processing of their natural products. But even at

*) The General Part was also published in an English translation: "Nordic Economic Co-operation. Report by the Nordic Economic Co-operation Committee". Copenhagen 1958.

**) The opening paragraphs reveal that the almost 20 million inhabitants of Denmark, Finland, Norway and Sweden account for less than 0.75 per cent of the total population of the world. Yet the four Nordic countries share between them 2.4 per cent of the estimated national income of the world. Together their part of international trade amounts to 4—5 per cent, and they have over 12 per cent of the world's merchant shipping tonnage. With only 6.7 per cent of western Europe's population, the Nordic countries in 1954 accounted for more than 9 per cent of the total gross national product of western Europe.

higher degrees of processing the indigenous resources of raw materials and energy will hardly be sufficient by themselves to ensure a satisfactory development of production. All of the Nordic countries will gradually enter a phase where economic expansion must be sought, more than hitherto, within those fields of production in which industrial experience, workmanship and technical standards are decisive factors in building up competitive productions . . . This development brings up questions of education, training and research with growing insistence. In general, the high level of education in the Nordic countries, together with the relatively old industrial traditions, offer favourable conditions for expansion of industries requiring high degrees of technical skill. The expansion of such fields depends in large measure on the success of efforts to secure adequate supplies of research personnel and skilled manpower in the years to come.

Besides the question of human resources, the availability of capital will become an important issue. The analysis of the Scandinavian resources of raw materials and energy reveals that the best prospects for economic expansion are to be found in sectors that require particularly large investments, such as the building of hydro-electric power stations, the development of electro-metalurgical and electro-chemical industries, and of cellulose and paper-making industries and, finally, the production of artificial textile fibres and organic chemicals. Highly processed manufactures likewise require large investments in plant and machinery, particularly in view of increasing automation.

The growing need for technical training and education at all levels necessitates greater investments in schools, technical colleges, research laboratories and other institutions of higher education. This will require investments on such a scale that it will be necessary for Scandinavia to obtain capital from abroad.

In several of the fields to which the Nordic countries

must look for expansion optimal efficiency can only be achieved through specialization and concentration of production on larger units. In many cases, however, large-scale industrial undertakings will require access to markets greater than those of the individual Nordic countries. The existing markets are generally too small to sustain adequate and stable sales for those industries which are to be the mainstays of Nordic economic expansion. Among such industries the organo-chemical, the artificial fibre, the plastics and the metal-working industries are the most important.

In the view of the Co-operation Committee, the establishment of a common Nordic market, through the elimination of the obstacles which the limited national markets place in the way of highly processed manufactures, will therefore be a decisive prerequisite for the necessary economic expansion in Scandinavia. Even if such a market, comprising 20 million people, will not be a major economic unit by international standards, it will nevertheless represent a substantial improvement on the present national markets.

Such are the considerations on which the Co-operation Committee based its proposal for a common Scandinavian market.

PLAN FOR A COMMON MARKET COMPRISING 80 PER CENT OF INTRA-SCANDINAVIAN TRADE

The main feature of the report is the proposal for the abolition of tariff barriers and trade restrictions for commodities comprising 80.7 per cent of total intra-Nordic commodity trade, representing 3,496 million Danish kroner in terms of 1955-figures. The commodities involved include nearly all industrial raw materials and semi-manufactures and a large number of manufactures such as chocolate and sugar products, tobacco, all chemi-

cal manufactures, all plastics and rubber goods, all paper and paper articles, furniture, various heavy ceramics, combustion engines, electromotors, accumulators, dry batteries, incandescent bulbs, radio and telephone equipment, gramophones and records, musical instruments, scientific instruments and apparatus, machinery of all kinds for various industries, and, finally, ships. This distribution of the commodities is shown in the following table:

COMMODITY SCOPE OF THE PROPOSED COMMON MARKET

Commodity group	Total value of intra-Nordic trade (millions of D. kroner)	Per cent of total intra-Nordic trade
Timber, wood products and wood-processing products....	790.9	18.3
Iron ore, iron and steel products	160.7	3.7
Metal ores, metals and metal semi-manufactures.....	370.9	8.6
Electrical engineering products, instruments, machinery and transport equipment (incl. ships)	1,532.2	35.4
Chemicals and pharmaceuticals	359.9	8.3
Other commodities	281.7	6.4
Total.....	3,496.3	80.7

The Committee selected the commodities to be covered by the common market according to the following criteria. First, they looked for goods that would permit an early introduction of the common market, either because the tariffs were low or because the degree of protection by quantitative restrictions was small. Secondly, they selected commodity groups for which the transitional difficulties would be small and for which a common market was likely to result in more advantages than drawbacks for all of the countries. In the latter case special attention was given to commodities that were in rapidly growing demand and therefore justified hopes of a vigorous ex-

pansion. By and large, the plan was based on the assumption that abolition of tariffs and restrictions would pave the way for increase of production and export in the individual countries.

The commodities which the Committee did not, in the initial stage, wish to propose for inclusion in the common market represented 837.3 million Danish kroner, equal to 19.3 per cent of total intra-Nordic trade in 1955. They comprised the following commodity groups.

COMMODITIES OUTSIDE THE PROPOSED COMMON MARKET

Commodity group	Total intra-Nordic trade (millions of D. kroner)	Per cent of total intra-Nordic trade
Agricultural commodities and feeding stuffs	286.4	6.7
Fish and fish products	106.5	2.4
Animal and vegetable oils and fats	84.0	1.9
Wood and cork products	8.8	0.2
Yarns, piece goods and finished textile goods; synthetic textile fibres; clothing	169.2	3.9
Ceramics, glass and glass pro- ducts, granite	15.8	0.4
More highly processed metal products	114.2	2.6
Other commodities	52.4	1.2
Total	837.3	19.3

These commodities consist of highly processed products and consumer goods form an important part of them. In terms of production-value and number of employed workers these commodity groups are of much greater significance than their relative shares of intra-Nordic trade would suggest. Agricultural products and fish and tinned fish are, of course, politically sensitive groups.

For the commodity groups selected, the Co-operation Committee's proposal urged common tariff rates vis-à-vis

foreign countries and abolition of tariffs and other trade barriers in intra-Nordic trade. The proposal thus envisaged a customs union or a common Scandinavian market based on the principle of *ad valorem* duties specified according to the Brussels Nomenclature. The proposal made no provision for fiscal duties, the assumption being that the individual countries would retain their right to levy national excise duties on those commodities which had previously been subject to such duties, e. g. coffee, tea, spices, raw tobacco and petrol.

The provision in the General Agreement of Tariffs and Trade (GATT) that the tariff rates of a customs union must not, on the whole, be higher than the rates existing before the introduction of a customs union was complied with. As far as could be calculated, the total customs revenue under the existing tariff rates and the revenue to be collected under the proposed tariffs would represent exactly the same proportion of the import value, viz. 3.7 per cent. Duty-free importation was envisaged for most raw materials. The tariff rates proposed for semi-manufactures and manufactures varied considerably. The rates for manufactures were generally from 8 to 12 per cent. The highest rate, 17 per cent, applied to radio sets. The tariff would not exceed 10 per cent for the majority of manufactured articles and rates exceeding 12 per cent were very rare. The draft for the common Nordic tariff may therefore be described as a customs tariff with low or moderate rates.

The main purpose of the existing quantitative restrictions in Scandinavia is to protect the balance of payments of the individual countries. The scope of such restrictions varies appreciably. The proposal envisaged a complete elimination of quantitative restrictions inside Scandinavia.

The Co-operation Committee acted on the general assumption that the introduction of a common tariff and the abolition of mutual trade restrictions would become

fully operative immediately upon the entry into force of the treaty for a Nordic market. The Committee was aware, however, that allowance had to be made for certain adjustments in order to alleviate any difficulties arising in connection with the transition to a common market. Thus, transitional arrangements were proposed to minimize difficulties caused by the establishment of the new common external tariff and by the abolishment of tariffs and quantitative restrictions in intra-Nordic trade. But the Co-operation Committee took great care to specify the duration of such transitional arrangements in very precise terms in order to leave no doubt about it in the individual industries and trades. The external common tariff will generally become fully applicable in the course of not more than five years though in a very few cases the transition period may extend over ten years at the most. Facilities for gradual tariff reductions within the Nordic area were offered to Finland and Norway for machinery and electrical engineering products, while Denmark and Finland were offered successive increases of the external tariff rates on certain chemicals and steel products. The concessions envisaged for Denmark consisted mainly of a 5-year period during which a number of Danish quantitative restrictions vis-à-vis the other Nordic countries must be eliminated. A number of export restrictions would likewise have to be abolished in the course of a few years; this applies to Finland's and Norway's restrictions on timber and to the export restrictions of all of the countries on iron and steel scrap.

The commodities for which transition arrangements are provided in the form of gradual abolition of tariffs between the Nordic countries represent somewhat more than one-tenth of intra-Nordic trade.

The proposal for a common market also contained provision for escape clauses which, in case of emergency, would enable the participating countries to reintroduce tariffs or quantitative restrictions in intra-Scandinavian

trade. Serious balance of payment difficulties would justify such measures, though normally only after previous consultation between the countries. But the Co-operation Committee was definitely against any clause that would permit a country to take such step merely to protect an industry from competition with other Nordic industries.

In the case of Finland, however, the Committee took a somewhat different view. At the time the report was prepared Finland's competitive position was so weak that very serious dislocations were likely to occur in Finland's economy if Finnish industries were suddenly exposed to competition from the other Nordic countries. The Committee therefore proposed that Finland should be allowed a short respite in the implementation of the common market, even after Finland's ratification of the convention for Nordic economic co-operation.

For the first five years the customs revenue levied by each country on the importation of common-market goods of non-Nordic origin is to be distributed on the basis of the actual customs revenue collected on imports of such goods during the years 1954-58, using the tariff rates actually applied to foreign countries during the transition period. This method will make it possible to study the question in detail during the transition period.

In a common market it will also be necessary to introduce a uniform system of trade and other statistics dealing with economic activity in the four countries. The Committee submitted a detailed proposal for uniform foreign trade statistics.

CO-OPERATION IN PRODUCTION

The proposal for a common Scandinavian market, free from tariffs and restrictions, was the central feature of the Committee's report on Nordic economic co-operation.

The Committee felt, however, that abolition of tariffs and restrictions was not enough; early attempts should be made to expand production in several of the fields which were now weak spots in Nordic economy. One such weakness was the dependence of the Scandinavian countries on imports of essential commodities from foreign countries, notably from continental Europe. This was especially true of iron and steel, motor cars, machinery and chemicals. In the opinion of the Committee a rapid expansion of production could best be achieved through co-operation between the interested industries, stimulated and assisted by the governments.

IRON AND STEEL

Co-operation in production should be established first and foremost in the iron and steel industries. The Committee took the initiative to have plans prepared for the setting up of a joint body to promote co-operation in this field. This body is to be a forum for consultation and exchange of information on questions concerning the supply of iron and steel in the Nordic countries. Voluntary co-operation in rationalization and specialization of production and marketing as well as in investment policy should contribute to the development of the Nordic steel industry and improve its efficiency and competitive power. This would serve the dual purpose of developing a sound and profitable iron and steel industry and of providing iron and steel for Scandinavian manufacturing industries on terms that would strengthen their competitive position in international markets.

MOTOR CARS

The demand for motor cars in Scandinavia is very great and is quite difficult to satisfy because under existing conditions cars have to be imported and paid for in

foreign exchange. The Committee therefore pointed out that if the Scandinavian production of motor cars could be increased through co-operation between Nordic manufacturers, large supplies of Scandinavian-made motor cars could be produced, thereby saving the expenditure of foreign exchange hitherto used for the importation of foreign cars. At present Sweden has three automobile factories; the other Nordic countries have none apart from some plants in Copenhagen which assemble foreign-made cars. The Swedish plants import considerable quantities of parts for motor cars from countries outside of Scandinavia but manufacturing plants in Denmark, Finland and Norway are well equipped for taking over the supply of such parts. Co-operation along these lines has already been established between Swedish automobile factories and Norwegian sub-contractors, but such co-operation could be greatly increased if the duty on automobiles and parts were abolished inside Scandinavia but retained vis-à-vis non-Scandinavian countries.

ELECTRIC POWER

All of the Nordic nations are faced with the problem of finding the best way to meet rising demands for electric energy. Norway has the largest unexploited power resources; so far only 20—25 per cent of its water power has been utilized. The Nordic discussions concerning power development and supplies have therefore been focussed primarily on the utilization of Norwegian water power. In recent years the Norwegian authorities have studied these possibilities and found that if Norway co-operates with other Scandinavian countries in the development of its water falls, it would be possible to maintain and even accelerate the present rate of development. This would enable Norway to export electric power, for example by obtaining loans for the construction of power stations from

the other Nordic countries and amortizing such loans through sales of electric energy to them.

In addition to the possibilities for co-operation which exist across the long frontier between Norway and Sweden (see p. 173), attention has been mainly concentrated on two projects — one for transmission of electric power from southern Norway to the Danish provinces of Jutland and Funen which are not linked up with the Danish-Swedish grid system*). The other project involves joint exploitation by Finland, Norway and Sweden of the enormous power reserves in the vast regions north of the Polar circle. The object of the latter project is to carry the water from Swedish rivers and lakes to the Atlantic Ocean across the frontier mountains between Sweden and Norway. In this way the down-grade would be much steeper and the water could be utilized with much greater efficacy than if such water courses were developed in Sweden alone.

THE ENGINEERING INDUSTRY

The Committee's studies have revealed great market potentialities for a major expansion of the engineering industry. There is not only a large latent demand for machinery in the Nordic countries but there is also a growing demand in overseas markets as well. This demand is a consequence of the industrialization of the technically under-developed countries and of growing mechanization and automation in all parts of the world. The Committee urges the engineering industries of the Nordic countries to co-operate in the development of these markets.

*) Since 1915 power has been transmitted from Swedish hydro-electric plants through cables beneath the Sound to Zealand. In later years the islands of Lolland and Falster have also been included in the system. When the water supply in the Swedish rivers is low, steam-generated power from Danish plants is transmitted to Sweden.

CHEMICALS

In the chemical industry the Nordic countries have, in their abundant supply of raw materials and energy, a promising basis for considerable expansion. In this field, however, there is a strong tendency all over the world towards concentration in large plants. The individual Nordic countries offer too small a market to support such large-scale factories which, furthermore, require great investments in plant, research work, and production planning. The Committee believes that the creation of a large home market, together with co-operation in the employment of specialized personnel and research facilities, will enable the Nordic countries to build up a strong chemical industry.

BUILDING MATERIALS

When tariff frontiers are abolished a common Nordic market can be established for building materials provided that more progress is made in their standardization and that greater uniformity is attained in building legislation, especially as regards technical regulations.

CO-OPERATION IN RESEARCH AND EDUCATION

The demand for greater efforts to promote technical research and to improve the training of technicians and engineers is a prominent feature of the report on Nordic economic co-operation. The Committee presents its arguments in unmistakable language. "In modern society developments in production and wealth depend largely on technological progress. The heavy pressure exerted by the rapid technical progress of recent years has introduced a new element of competition, both in research and education. A country which cannot maintain its research

or technical knowledge at the same level as its competitors will inevitably be out-distanced economically."

In this field our countries are not up to the demands of today. While the leading industrial nations devote 1—2 per cent of their gross national product to research and the training of research personnel, the expenditure in the four Nordic countries for the same objects hardly exceeds 0.5 per cent of the gross national product, despite greatly increased appropriations during post-war years. The Nordic countries must therefore undertake a major expansion and modernization of their research facilities. The Committee urges that this be planned and carried out through systematic co-operation. Conditions for such co-operation are particularly favourable thanks to the affinity of language and the close contacts which already exist between research institutions, instructors and research workers in Scandinavia. The framework, in fact, is already established for such co-operation (see p. 42), but the Committee recommends that a systematic effort be made to take even greater advantage of the existing potentialities.

Technological advance in Scandinavia will still mainly depend on the progress achieved in the leading industrial nations of the world. The Committee therefore strongly recommends that common Nordic information and documentation services be developed which would increase Scandinavian knowledge of the results of research in other countries. This could be achieved by stationing Scandinavian liaison officers for technology and scientific research in the countries leading the field in those respects.

NORDIC INVESTMENT BANK

The need for more capital is another reiterated theme of the Co-operation Committee's report. Expansion of production capacity, adaptations to meet the requirements

of new marketing conditions, technological developments and the provision of more and better educational facilities — all of these needs require large-scale investments. Since capital is scarce in all of the Nordic countries, foreign capital should be obtained to finance projects for which particularly large investments are required. As a means of rendering capital investments in Scandinavia safe and attractive the Committee recommends the establishment of a Nordic Investment Bank.

It will be the purpose of the Investment Bank to obtain foreign loans and make them available for projects that are too large to be financed through normal channels. Loans by the Bank should be granted primarily for projects of common interest such as communications or joint production. Investments may also be made in any one of the Nordic countries if they are likely, in the long run, to strengthen Nordic economy as a whole. The lending operations of the Investment Bank should be as far as possible financed with borrowed funds, but in order to provide security for potential lenders the bank should have an initial capital of at least 300 million dollars. The governments of the four countries are to be responsible for that amount but capital may also be obtained from private sources such as banks and other credit institutions.

The 300 million dollars is to be allocated in the ratio 1:1:1:2 so that the governments of Denmark, Finland and Norway will subscribe 60 million dollars each and the Swedish government 120 million dollars. A paid-up capital of 100 million dollars is considered sufficient but the remaining 200 million dollars must be available whenever needed to cover losses. On the establishment of NIB, each government will be called upon to pay one twelfth of its share of the subscribed capital. The payments will represent a total of 25 million dollars. The Swedish government has offered to pay in the remaining 75 million dollars by transferring the instalments to be paid by Denmark, Finland and Norway on the Swedish

State loans granted to them during and after the Second World War as and when these instalments fall due. The initial capital will thus grow by 5 million dollars a year until it amounts to 100 million dollars.

The Investment Bank may grant loans itself or guarantee loans obtained from other sources. Its highest authority, the Board of Directors, will consist of four members from each of the four countries, a total of 16. A minimum of 10 votes will be required to make a decision valid. This will make it impossible for any one country to block a decision or for any two countries to impose their will on the others.

BALANCES OF PAYMENTS AND CAPITAL MOVEMENTS

The establishment of a common commodity market will obviously have repercussions on the national balances of payments. The report emphasizes, however, that a common Nordic market will not entail any common currency reserve or any common responsibility for the national balances of payments. Wherever possible, the individual countries should deal with strains on its national balance of payments by means of such measures of economic policy as are at its command. The Committee did, however, suggest certain escape clauses to alleviate strain in such situations (see p. 196 f.). The report further points to the possibility of making joint Nordic appeals to international economic organizations, in order to obtain assistance for the country concerned; the other Nordic countries might also be asked to give direct help to the member country that is experiencing such difficulties. It is the Committee's opinion that capital movements cannot be liberalized entirely inasmuch as the economic conditions of the individual countries still differ too much. But the existing restrictions could usefully be relaxed in several respects. A country with ample capital at its com-

mand and a surplus on its balance of payments might, for instance, give access to undertakings in the other Nordic countries to borrow in its capital market on the same conditions as domestic concerns.

JOINT ACTION IN COMMERCIAL POLICY

The common market is not only designed to pave the way for co-operation in production but will also make possible joint action in commercial policy from which definite advantages will be obtained. It would be natural for tariff negotiations with non-Nordic countries concerning common market commodities to be carried out jointly. Tariff negotiations between the individual countries and foreign states regarding those commodities which will not initially be included in the common market should be preceded by joint consultation in order that Nordic interests may be safeguarded. Similarly, negotiations for trade agreements with foreign countries will require not only prior consultation but possibly also joint action even though the time may not yet be ripe for the Nordic countries to conclude joint trade agreements with countries outside Scandinavia. Measures against import dumping or importation of subsidized commodities should likewise be taken jointly.

There is another form of co-operation in commercial policy to which the Committee attaches great importance, namely, joint export drives for new markets, especially in under-developed countries where the Nordic countries will undoubtedly have a good chance to expand their trade. The under-developed countries are planning extensive industrialization, but the orders which will result from this may be so large that the individual Nordic countries have neither the production capacity nor credit facilities to contract for them. Co-operation between industrial firms, on the one hand, and credit institutions,

in the other, will, in such cases, make it possible for Scandinavia to compete successfully with the great industrial countries for these orders. The Committee emphasizes that Scandinavian exporters should avoid underselling each other in foreign markets.

Generally, co-operation in foreign markets will concern export but in periods of international shortages of essential raw materials the Nordic countries may find it to their advantage to act jointly vis-à-vis the sellers in order to secure adequate supplies at reasonable prices.

Finally, the Committee points out that the establishment of a common market will give increased possibilities for the Nordic countries to act as a single unit within international economic organizations.

CO-ORDINATION OF ECONOMIC POLICY

The discussions of the common market in the Nordic Council have revealed widely divergent views concerning the extent to which it will be necessary to unify national economic policies in order to give the industries of the individual countries reasonably similar conditions under which to compete. It is of the utmost importance to the Committee that goods covered by the common market should be produced where the real cost of production is lowest. This means that in the common market no steps should be taken which would cause artificial distortions of production in relation to the natural economic basis of the countries. If this were done it would counteract the whole purpose of the common market, which is to raise the level of production by increased division of labour between the countries.

If a common Nordic commodity-market is to serve its purpose, it must have a flexible payment or clearing system for the foreign exchange transactions arising out of intra-Nordic trade. A common capital market, on the

other hand, is not an inevitable condition, nor is a co-ordination of budgetary and monetary policies intended. The individual countries will retain full control of their monetary, fiscal and foreign-exchange policies. Co-ordination of corporate taxes, excise duties and other indirect taxes is likewise unnecessary, and the same is true of state subsidies although, of course, there must be no discrimination against goods of Scandinavian origin by means of either taxation or subsidies.

The highest average level of nominal wages for industrial workers is found in Sweden, followed by Finland, Norway and Denmark, in the order named, but the differences do not appear to be great enough to cause any major shifts in the labour market. In most sectors of industry the difference in average wage-levels is no greater than the differences of natural conditions existing within each country. As man-power, aside from highly specialized workers, is rather immobile, it can be anticipated that the countries which have relatively cheap labour will be able to attract new industries.

Differences in social-security contributions (to insurance and pension schemes, holidays with pay, etc.) are not so great in the Nordic countries as to necessitate special measures to make them conform. On the other hand, action must be taken to combat restraint of competition that would impede that division of labour which is the aim of the common market. In this connection much attention should be given to the marketing policies pursued by international cartels in the Nordic market.

PERMANENT INSTITUTIONS FOR CO-OPERATION IN THE COMMON MARKET

Economic co-operation in Scandinavia on the lines suggested in the Co-operation Committee's report can obviously not be so organized as to solve all problems

beforehand. A draft convention, included in the Committee's report, lays down only the main principles on which this co-operation should be based, indicating the specific obligations to which the participating countries should commit themselves. When the common market has been established there must be permanent consultation among the governments as well as among trade organizations. The Committee suggests that it would be useful to set up permanent bodies or agencies for this purpose.

This proposal does not envisage supra-national institutions. The activities of the joint bodies should be based on the principle of unanimity. Agreement should be reached through discussion along the traditional lines in Nordic co-operation. Experience gathered in the OEEC has confirmed that this method gives good results.

The Committee proposes that the final authority in this co-operation be vested in a Council of Ministers with one minister from each of the four countries as permanent members. Other ministers should be authorized to take part in the Council's deliberations in cases where the subjects under consideration make such participation desirable. The Council of Ministers shall be responsible for the implementation of the convention, for making decisions on measures of co-operation within the framework of the convention, and for issuing the necessary directives to subordinate bodies. All decisions in the Council of Ministers shall require the unanimity of its four members.

A Commission of government officials, consisting of three government-appointed members from each country, will be responsible for the preparation of matters to be considered by the Council of Ministers. This Commission may also set up working groups.

THE COMMON SCANDINAVIAN MARKET AND THE PLANS FOR ECONOMIC INTEGRATION IN EUROPE

The publication of the report on Nordic economic co-operation gave a much more factual basis than hitherto to the discussions regarding the common market. Never before had such comprehensive information been available concerning these problems. Nevertheless, the publication of this very concrete and detailed proposal did not result in immediate action. This was due, above all, to the fact that the plans for increased economic co-operation in Europe introduced a strong element of uncertainty in the endeavours to create a common Nordic market.

During the months following the Nordic Council's session in Helsinki, when the Economic Co-operation Committee was completing its report, the Six Countries continued to build up their own common market, and the endeavours to create a European free-trade area in association with that common market likewise went on. The treaty establishing the continental common market was signed in Rome on 25 March 1957 by representatives of the Six Countries. The parliaments of the member countries ratified the treaty in the course of the summer and autumn of 1957 and the European Economic Community became a reality on 1 January 1958 when the member states began to organize its institutions. The tariff reductions agreed on were not, however, to begin until 12 months later.

The efforts to establish a free-trade area also continued but made little progress. In January 1957 experts had declared that it would be technically feasible to form a free-trade area in association with the European common market, and in February 1957 OEEC's Council of Ministers set up three committees to analyse the problems and clarify the conflicts of interests. When the Council of Ministers met again on 16-17 October 1957 a very important principle was conceded by the United

Kingdom, namely that there also be established a scheme for agricultural products within the free-trade area. The British government, under strong pressure from various countries (including Denmark), thus abandoned its original demand that these products be kept entirely outside the scope of the free-trade area. At the same meeting the Council of Ministers also set up a committee, headed by the British Paymaster General, Mr. Maudling, to prepare the ground for the political decisions on which the establishment of a free-trade area would depend. In the following nine months no definite progress was made and the political crisis in France in the early summer of 1958 and General de Gaulle's appointment as Prime Minister, seemed to raise new obstacles. At the same time, however, more and more people realized that if the establishment of a common market in Central Europe were not accompanied by the formation of a European free-trade area, the outcome might be a disastrous economic and political disruption of western Europe. This view was particularly prevalent in the Federal Republic of Germany but it was shared by the British and the Scandinavian governments as well.

It is against this background that the deliberations in 1957-58 in the individual Scandinavian countries on the Nordic common market should be seen. In Norway the idea of a Scandinavian customs union had from the outset met with opposition and even hostility from many fields of economic life. But now even in Denmark which hitherto had been the most ardent advocate of Scandinavian economic co-operation, some hesitation appeared (see p. 189). This new critical attitude in Denmark was confined almost entirely to agricultural organizations and their political spokesmen. Danish farmers had been hit by a heavy slump in prices. At the same time they saw their traditional export to the United Kingdom decline as a result of Britain's agricultural protectionism, while the members of the European Economic

Community were taking a growing volume of Danish agricultural products. The Danish farmers, convinced that this development was indicative of a long-range trend, foresaw that the common market of the Six Countries would develop into an increasingly valuable outlet while the volume of exports to the United Kingdom was more likely to decrease. A necessary condition for the increased sales to the Six Countries, however, was that Denmark was not debarred from the new dynamic market in Central Europe. For this reason the leaders of the Danish farmers' organizations urged the Danish government to apply for admission into the European Economic Community as soon as possible; this was the only way, they insisted, in which Danish agriculture could secure markets for its products and be saved from ruin. If Denmark remained outside the European common market Dutch agricultural exports would be in a much more advantageous position in the West German market than Danish ones.

If, however, the Danish government gave in to the farmers' wishes and joined the European common market, it would probably be the only Nordic country to do so. There were no indications that Norway and Sweden were prepared to accompany Denmark into the European Economic Community, and considerations of foreign policy would make such a step unthinkable in the case of Finland. In Norway and Sweden the principal argument against affiliation with the European Economic Community was that the EEC had been planned not only as an economic union, but aimed at close political integration as well. Furthermore both Norway and Sweden were definitely against the powerful supra-national institutions and the high tariff walls of the European common market. In Norway especially it was found quite unacceptable to join an economic and political organization of which the United Kingdom was not a member and with which that country might even find itself on unfriendly terms.

In Denmark opinion was divided; unlike the farmers, other large sections of the Danish population — including the trade unions which were politically the most influential — felt that an isolated Danish affiliation with the Six Countries would have unfortunate repercussions on economic, social and cultural life in Denmark. These opponents were joined by those groups who attached decisive importance to a steady increase in Nordic co-operation, especially in the economic field. For it was evident that if Denmark joined the European Economic Community it would have to abandon the idea of participating in a common Scandinavian market, as no country can be a member of two customs unions with different tariff levels.

With such strong forces in the Danish population taking a critical attitude towards affiliation with the Six Countries, Danish participation in the European common market became a rather unlikely possibility. The Danish constitution of 1953 requires a parliamentary majority of five-sixths for Denmark to cede any part of its sovereignty to supra-national institutions. Only if Danish membership in the European common market were the only way to ensure adequate markets for Danish agricultural exports was there any chance of the necessary parliamentary support for such a step.

In these circumstances the Danish government and all of the political parties agreed that Denmark should do everything in its power to bring the negotiations for an European free-trade area to a successful conclusion and to obtain the best possible position for agricultural products in that area. (They had no illusions of obtaining a completely free trade for agricultural products). Pursuing this policy energetically in negotiations with representatives of the Six Countries and of the United Kingdom and within the various sub-committees of OEEC, the Danish spokesmen concentrated their efforts on obtaining guarantees against discriminatory treatment and on ensuring increased trade in agricultural products.

Both Norway and Sweden also envisaged with great anxiety the possibility that the negotiations for a free-trade area would fail and they themselves be exposed to intense competition from the heavily protected industries of the Six Countries. The Norwegian and Swedish governments were therefore in full agreement with the Danish government to do everything in their power to bring about a free-trade area in Europe. Opinions in Norway were divided as to whether a common Scandinavian market should be established within the framework of the free-trade area. In the course of 1958, however, there was growing acceptance of the view that the Nordic countries would be in a better position to influence the structure of the free-trade area if they first established their own common market in Scandinavia, thereby being able to act *en bloc* in the negotiations.

REMAINING 20 PER CENT OF INTRA-NORDIC TRADE DRAWN INTO THE COMMON MARKET DISCUSSIONS

In the report on economic co-operation the scope of the common market proposed by the Co-operation Committee comprised only 80 per cent of intra-Nordic trade (see p. 192). In the Committee's view the inclusion of the remaining 20 per cent would cause fairly serious problems in the transitional stage. The Committee had therefore originally decided that for the time being it would not propose the incorporation of the remaining commodity groups in a common market. However, the negotiations for a free-trade area had got under way before the Committee completed its work in July 1957, and if these negotiations were successful Denmark, Norway and Sweden would, over a period of 12–15 years, have to abolish their tariffs and trade restrictions on all industrial manufactures vis-à-vis all members of the free-

trade area, including each other. In that event it would be natural to ask whether the Nordic countries would not find it to their advantage to introduce free trade in Scandinavia for *all* intra-Nordic trade in a more rapid tempo than that envisaged for the free-trade area.

In that case agricultural and fish products would be the only real stumbling blocks left, but even the more difficult problems posed by these products would probably be easier to solve within a comprehensive European economic integration than in the narrower Nordic common market. Criticism was often voiced both in Denmark and Norway because these products — agricultural in Denmark, fish in Norway — which were of special importance to them, had been kept outside the plans for the Nordic market. For political as well as economic reasons it would therefore be desirable if the proposal for economic co-operation that was to be submitted to the Nordic Council and to the national parliaments could be extended to cover agricultural and fish products as well.

Unless these products were incorporated within the European free-trade area the prospects of realizing the plans for the free-trade area would certainly be limited. From a Scandinavian point of view this would mean that if Norway and Sweden wanted the free-trade area to become a reality they would have to accept the inclusion of agricultural products and, likewise, Denmark and Sweden would have to accept fish products. On the other hand, it would be a relief to Norway and Sweden that agricultural products would not be admitted free. The farming industries of France and West Germany would insist no less firmly than the British farmers that guarantees must be provided against dangerous competition from outside, and such guarantees would have to be so effective that any agricultural scheme which would satisfy these countries would likewise give adequate protection against any harmful effects which imports from Denmark might have on Norwegian and Swedish agriculture. Similar con-

siderations would no doubt apply to the fish industry. In such circumstances it would therefore seem possible to extend the scope of the proposed Nordic common market to include all commodity groups.

THE MEETING AT HINDÅS, NOVEMBER 1957

This was the state of affairs when the Economic Committee of the Nordic Council met the Nordic Ministers for Economic Co-operation and the Nordic Economic Co-operation Committee at Hindås, Sweden on 9–10 November 1957. The purpose of the meeting was to prepare the discussion of the report on the common market at the 6th session of the Nordic Council which had been convened for late January 1958. But the meeting reached much more interesting decisions. It was agreed that the plans for Scandinavian economic co-operation should be held in abeyance, pending final decisions on the European free-trade area. As it was realized that no result of the negotiations for the free-trade area could be expected until the summer, the Council session was postponed until around 1 November 1958. In the meantime, it was proposed that the governments should study the conditions under which the remaining 20 per cent of intra-Nordic trade could be drawn into the common market. In view of the great common interest which all of the Nordic countries had in a realization of the plans for a European free-trade area, the meeting further recommended that the governments take action to ensure even greater Nordic co-operation at the Paris negotiations, in which all of the Nordic countries except Finland were taking part.

Acting on the recommendation of the Hindås meeting the governments set up several expert groups to analyze the remaining 20 per cent of intra-Nordic trade with a view to its inclusion in the common market. The result

of these studies, which were conducted under the direction of the Nordic Economic Co-operation Committee, was submitted to the Scandinavian Ministers for Economic Co-operation at a meeting held in Oslo on 7 July 1958.

THE SUPPLEMENTARY REPORT OF THE NORDIC ECONOMIC CO-OPERATION COMMITTEE 1958

In this Supplementary Report the Co-operation Committee proposed the incorporation in the common market of all the manufactures not included in the 80 per cent of intra-Nordic trade suggested in the report of 1957*). In terms of value these commodity groups represented 8.3 per cent of the total intra-Nordic trade in 1955. As explained above (see p. 194), they play, however, a much greater rôle in production and employment than the trade statistics suggest. These highly processed manufactures — most of them typical consumer goods — have enjoyed a comparatively high level of protection and have been produced largely for the home markets. For these reasons they have not been as important in intra-Nordic trade as they will become when tariffs and trade barriers are abolished. Moreover, with the small size of the home markets it has not been possible to specialize these productions to any great extent. In a common market, on the other hand, division of labour and, consequently, intra-Nordic trade can be increased very considerably.

In the Supplementary Report the following manufactures are proposed for inclusion in the common market: manufactures of iron and steel, tools and implements, more or less finished metal products, motorcycles, bicycles,

*) The general part of the report was also published in an English translation: "Nordic Economic Cooperation. Supplementary Report by the Nordic Economic Cooperation Committee". Copenhagen 1959.

prams, and parts of these vehicles; further, textiles and ready-made clothing, leather, leather goods, leather and rubber footwear, ceramic articles of all descriptions, glass and glassware of all kinds, and, finally, wooden articles.

In view of the high level of protection which these commodity groups enjoy in the form of tariffs or quantitative restrictions in all of the Nordic countries, and in order to avoid serious dislocations as a result of the creation of a common market, the Co-operation Committee has found it necessary to propose transitional arrangements for these products in comparatively more instances than for the goods included in the 80 per cent of intra-Nordic trade. Most of these transitional arrangements are, however, limited to five years; only in special cases do they extend over ten years.

Two kinds of transitional arrangements are envisaged, one for adjustment of the present tariff rates to the level of the future common tariff to be applied to non-Nordic countries, and one for the gradual elimination of tariffs and quantitative restrictions in intra-Nordic trade over a term of years instead of their immediate abolition when the common Nordic market is established.

The other important commodity group covered by the Co-operation Committee's Supplementary Report comprised fish and fish products, especially tinned fish. For these commodities, too, the Committee's proposal envisages a complete abolition of tariffs and restrictions in intra-Nordic trade and uniform tariff rates vis-à-vis non-Nordic countries, though in some cases with transitional arrangements for definite periods. Inside the Nordic area, however, national minimum price systems may be retained for unprocessed fish in order to protect the living standard of the fishermen. In order to finance this minimum price system it will be necessary to levy a charge on freshly caught fish, but both the minimum prices and the charges must be the same for native fishermen as for fishermen from the other Nordic countries.

The Committee further recommended the abolition of several restrictions encountered by Nordic fishing vessels outside their home countries. Thus, the Supplementary Report contains proposals for Nordic fishing vessels to be allowed to take in bunkers and provisions and to undertake repairs in the ports of the other member countries of the common market on equal terms with national fishing vessels. Furthermore, fishing vessels are to be allowed to land their catches in the ports of a Nordic country other than their own, for transshipment to the home country. On the other hand, the Danish members of the Co-operation Committee opposed a Norwegian and Swedish proposal for all Nordic fishing vessels to be allowed to land their catches in any Nordic port for transshipment to a non-Nordic country. In other words, the Danish members were not prepared to allow Norwegian and Swedish fishing vessels the easy access to the markets of Central Europe which the Danish fishing trade enjoys through ports in Jutland.

The Economic Co-operation Committee's proposal for a common Nordic market thus comprised a total of 91.4 per cent of intra-Nordic trade, but the Committee was not yet able to submit specific proposals for the remaining 8.6 per cent which represented agricultural products and feeding stuffs. The agricultural sector also included various products of the food-processing industries, vegetable and animal oils, and fats. In Sweden and Denmark plants from which oil can be extracted are of some importance to the farming industry, and fish and whale oil are essential raw materials for certain processing industries. When the Supplementary Report was prepared, agreement had not yet been reached on rules governing agricultural products in the planned European free-trade-area. Such future European rules for agricultural products will apply also to the trade in these products between Denmark, Norway and Sweden. The Committee was therefore unable to submit a proposal for the agricul-

tural sector but was prepared to continue its work in order to have a specific plan ready when the European situation has been clarified.

SUMMARY OF THE PLAN FOR A COMMON NORDIC MARKET

The proposal submitted in the Final Report and the Supplementary Report was the first complete and detailed plan for a common Nordic market ever published. The Co-operation Committee therefore ended the report with a brief summary of the entire plan (which comprised all commodities except agricultural products). According to this summary the tariff incidence for all manufactures (except those of the food-processing industries not included in the report) would fall from 6.1 per cent to 5.9 per cent, computed as averages of the existing national tariff rates and the rates proposed in the new common Nordic tariff. As the pattern of trade will change in the common Nordic market, the latter figure can only be regarded as tentative. Under the previous proposal for a common market comprising 80 per cent of the industrial commodities — consisting mostly of raw materials and semi-manufactures — the tariff incidence remained unchanged at the then existing level of 3.7 per cent. The higher incidence computed for the all-inclusive proposal is, of course, due to the fact that the level of protection is higher for commodity groups included in the latest proposal than it was for the original proposal which covered only 80 per cent of the industrial sector. Nevertheless, the Co-operation Committee asserted that the rates proposed for the common tariff would generally be low or moderate. Apart from the textile, leather and footwear, and the glass and porcelain sectors, the proposed tariff rates would generally be about 10 per cent or less. The highest rates were proposed for

knitwear (up to 23 per cent) and ready-made clothing (up to 25 per cent).

When the Supplementary Report was published, no definite proposal had been prepared for a European free-trade area. The Co-operation Committee was therefore unable to comply with a request put forward by the Hindås meeting for a detailed analysis and comparative study of the relationship between the common Nordic market and a European free-trade area. During its continued investigations, however, the Co-operation Committee had found corroboration of its view that a common Nordic market would be of value *per se*, also after a European free-trade area was established. The Committee stressed the fact that the competitive ability of the Nordic countries in a European free-trade area would depend on whether or not they would be able to adjust their production to the conditions obtaining in a market which was greater than their home markets *before* they were exposed to the full impact of competition from the big industrial countries. This is the reason why the Committee found it so essential that the Nordic market become effective immediately for the great majority of commodities.

The Co-operation Committee refuted the argument that the establishment of a common Nordic market, before the creation of the wider European free-trade area, would increase the risk of making investments which would later prove unprofitable. On the contrary, the Committee maintains that the economic adjustments necessitated by a common Nordic market will, in the great majority of cases, be very much the same as those which will have to be made in a European free-trade area. The Co-operation Committee therefore came to the conclusion that a rapid implementation of the Nordic market would pave the way for an efficient utilization of Scandinavia's economic resources, thereby placing the Nordic countries in a better position to benefit from the expan-

sive possibilities held out by the gradual establishment of a free European market. In this connection the Committee pointed out that the Benelux countries are still endeavouring to consolidate their economic union, although they have joined the European Economic Community established by the Rome Treaty.

The Co-operation Committee also attached very great importance to the value of joint Nordic action in the negotiations for the formation of the new markets in Europe. In this connection the Committee stressed the fact that several of the unsolved problems discussed in the negotiations for a free-trade area are of fundamental importance to the export trades of Denmark, Norway and Sweden. For Denmark, the agricultural products are at stake; Norway has a material interest in fish and fish products; wood products and a number of important metals play a fundamental rôle in both Norwegian and Swedish economy. "The establishment of a Nordic market will give added strength to the bargaining position of the three countries, both in the free-trade area negotiations and in general international co-operation in the fields of economic and commercial policy."

This need for Nordic co-operation will exist also in the negotiations on economic and commercial policy which will take place after the establishment of a European free-trade area. Consistent Nordic co-operation based on a customs union will place the Nordic countries in a better position to stand up to the strong pressure groups which will operate in a European free-trade area. Organized co-operation will enable the Nordic countries to shape a common policy and safeguard their many common interests more effectively, both in the continued negotiations for the treaty establishing a free-trade area and within the institutions to be established in that area. But close co-operation presupposes an organizational framework of some stability and a strong community of economic interests.

In this connection the Co-operation Committee points out that for several European countries the Nordic countries taken together represent one of their most important markets. The United Kingdom exports a much greater volume to the Nordic countries as a whole than to Australia, the United States or the Benelux Countries. The Federal Republic of Germany is the biggest customer of the Benelux countries and vice versa, but for both of them the Nordic countries are the second-largest customer. The Nordic countries also buy more from the Six than the United States and Canada combined or all of the countries of South America.

THE MEETING AT SALTSJÖBADEN, SEPTEMBER 1958

Although the reports submitted by the experts in 1957 and 1958 thus contained practically complete proposals for Nordic economic co-operation — centered on a customs union which would comprise almost 100 per cent of intra-Nordic trade — the Nordic Council and the responsible authorities of Denmark, Finland, Norway and Sweden were not yet ready to take a political decision on these proposals. Therefore, when the Economic Committee of the Nordic Council and the cabinet ministers for Nordic economic co-operation met again in a joint session — this time at Saltsjöbaden outside Stockholm in September 1958 — they were unable to carry the matter beyond the stage reached at Hindås the year before.

Once again the political decision had to be deferred until it became clearer where the negotiations for the European free-trade area would lead. The joint session therefore resulted only in a reiteration of the appeal issued after the Hindås meeting, urging the governments of Denmark, Norway and Sweden to co-operate as closely as possible in their joint efforts in OEEC to get the free-trade area established and, within the framework of that

area, to ensure the best possible conditions for those essential export articles which were threatened with discrimination by certain of the great powers among the OEEC-countries. Such articles comprised agricultural, fishery and forestry products, aluminium, and ferro-alloys. As this list of commodities shows, every one of the Nordic countries had very important export interests at stake in such discrimination.

During the weeks following the meeting at Saltsjöbaden the Governments of Denmark, Norway and Sweden reached agreement on a common policy for the coming discussions in OEEC about the position to be assigned to agricultural products in a European free-trade area. This agreement was of great importance to Denmark because it meant that the principles advocated by Denmark for the treatment of agricultural exports would now be endorsed by Norway and Sweden. This marked the fulfillment of a wish expressed in very urgent terms by the Danish spokesman during the Nordic Council's session at Helsinki in February 1957 (see p. 188).

CRISIS OF EUROPEAN FREE-TRADE NEGOTIATIONS

The joint proposal of Denmark, Norway and Sweden regarding the treatment of agricultural products in the European free-trade area was submitted to the *ad hoc* ministerial committee of the OEEC, the so-called Maudling Committee, at a meeting held in Paris in late October 1958. This meeting of the ministers of the 17 member countries had been awaited with keen expectations because it would depend on the decisions made there whether agreement could be reached within the OEEC, at least concerning the principles for a European free-trade area, before the Six began to grant each other mutual tariff reductions and to relax their trade restrictions under the Rome Treaty of March 1957 which was to take effect on

1 January 1958. In the absence of any such agreement or of transitional arrangements, outside countries would shortly see their exports to the Six placed at a disadvantage in the competition for the market of the European Economic Community (EEC). Such discriminatory measures would soon have serious repercussions on non-EEC-countries, not least the Scandinavian states. Moreover, it would hardly be possible to prevent such repercussions from spreading from the economic field to other forms of European co-operation at the political and military levels. The very purpose of the United Kingdom's proposal for establishment of a European free-trade area, in association with the common market of Continental Europe, was to avoid such discriminatory treatment and its unfortunate consequences, and the Scandinavian countries therefore gave their fullest support to the British proposal. However, in the discussions of the Maudling Committee, which took place in late October 1958, differences of opinion, especially between British and French views, were so wide that the prospects of reaching a solution within a foreseeable future, and, at any rate, before 1 January 1959, seemed extremely meagre.

COMMON MARKET DEBATE AT THE SIXTH COUNCIL SESSION IN 1958

Against this background the Nordic Council opened its sixth session in Oslo on 9 November 1958. The Council had originally been convened for January 1958, but at Hindås it was agreed to postpone the session until late October in the hope that by then definite answers would have been found to the problems attending the fate of the European free-trade area. At Saltsjöbaden it was even decided to postpone the Council session by another fortnight in order to give the members time to study the results of the Maudling Committee meeting.

Prior to the session the Governments of Denmark, Finland, Norway and Sweden had sent to the Council the two big reports of the Nordic Economic Co-operation Committee. The Governments had not committed themselves with respect to the experts' proposal, and the Council was not expected to reach a final decision on the common Nordic market or other forms of economic co-operation — not even if the Maudling Committee's discussions had led to positive results. At most, the Council could be expected to discuss in more general terms the Nordic and European economic problems and their inter-relationships, but not to pass any new recommendations.

The sixth Council session, however, produced greater results than anybody had expected from its discussion of economic problems. In the main, this was obviously due to the unfortunate turn of the free-trade area negotiations which made it urgent for the Nordic countries to help avoid a fatal disruption of Europe and to safeguard their own economic interests. Apart from the Finnish delegates, who did not participate in the discussion of the European free-trade area (Finland is not a member of OEEC), an overwhelming majority of the Council took the view that the establishment of the free-trade area was of vital Nordic interest and that it should become operative in time to prevent discrimination by the Six vis-à-vis the other eleven member countries of OEEC. Several speakers, especially from Norway and Sweden, declared that the Nordic countries would not tacitly acquiesce in discrimination; it was pointed out that in consideration of the importance of their trade relations with the Six countries the views of the Nordic states merited attention. The Swedish Prime Minister said that Sweden, with its seven million people, bought almost as many manufactures and dutiable semi-manufactures from the Federal Republic of Germany as France did with its 44 million inhabitants. These various statements, added another prominent member of the Swedish delegation, were not meant as

threats but were professed in the most friendly spirit to help the Six to take a realistic attitude to the Nordic countries in a matter which the latter felt to be of vital importance.

A NORDIC APPEAL TO OEEC

The Council's discussion of economic co-operation was dominated entirely by the misgivings felt about the positive outcome of the free-trade area negotiations. These misgivings induced the Council to take an unexpected step in an attempt to make a last-minute contribution to the Paris negotiations. On a Danish proposal the Council adopted a statement, drawn up in forceful language, pointing out that the Nordic countries attached "decisive importance" to a successful conclusion of the negotiations for a European free-trade area — in time to prevent the Rome Treaty from having discriminatory repercussions on other OEEC-countries. The statement went on: "It will be of the greatest importance if the OEEC-countries can avoid a disruption that may jeopardize their trade relations and have far-reaching economic and political consequences." The statement then stressed the joint Nordic demand for a solution which would safeguard their interests in the free-trade area during the transitional period as well as in the long run. More particularly, it was emphasized that it would be "essential and equitable" to ensure growing exports of agricultural products within the free-trade area as well as expanding markets for fish and fish products and safeguards for metals and forestry products. Finally, the statement urged that adequate attention be given to the trade of participating states with outside countries.

The statement concluded in a recommendation which was warmly endorsed by all the members of the Council except the Icelandic communist, who voted against it,

and the whole delegation from Finland which abstained, pointing out that Finland, as a non-member of OEEC, had taken no part in the discussions of the free-trade area.

The recommendation urged the Governments of Denmark, Iceland, Norway and Sweden to communicate the above views to the other parties to the negotiations in OEEC and to do their utmost in a common effort to reach a solution that would "ensure a continuation of the economic co-operation in Europe and strengthen it through the formation of a free-trade area". Already before the recommendation had been adopted, the Economic Committee of the Council had cabled its text to the representatives of the Nordic governments in Paris who submitted the Council's views to the other members of the Maudling Committee, which had resumed its meetings in mid-November. But the urgent Scandinavian appeal did not prevent France from taking the quite unexpected step of disavowing the basis on which the free-trade area negotiations had hitherto been conducted or the United Kingdom from suspending the Maudling Committee's work as a result of the French action. The prospects of the establishment of a free-trade area within a foreseeable future now appear to be very poor. The breakdown of the Paris negotiations coincided with the closing of the Nordic Council's session and therefore did not influence the Council's deliberations.

THE COUNCIL RECOMMENDS NEGOTIATIONS AT GOVERNMENT LEVEL

Although the fate of the European free-trade area and common Nordic action in OEEC were the most urgent problems on the agenda, an important step forward was taken in the matter of Nordic economic co-operation. It is true that no discussions of the actual problems involved

in a Nordic customs union took place, as they did in Copenhagen in 1956 and, to a lesser degree, in Helsinki in 1957. The reason for this was that it was felt, especially among the Danish and the Norwegian delegates, that the situation was not yet ripe for a final decision on the common Nordic market. But, apart from this, even those who were actually against a Scandinavian customs union would hardly want to place any more obstacles in the way of the close Nordic co-operation that would become indispensable if a trade war broke out in Europe. In these circumstances the Council decided — with the full support of the Norwegian non-Socialist parties — to move up the negotiations for economic co-operation from the expert level to the political level, urging that contact be maintained with the Council's Economic Committee during the coming political negotiations.

The Council, therefore, adopted a recommendation asking the Governments of Denmark, Finland, Norway and Sweden to enter into negotiations, based on the Nordic Economic Co-operation Committee's reports, regarding the formal aspects of Nordic economic co-operation in order that a complete proposal could be ready for tabling in the Nordic parliaments as and when conditions were ripe for such a step.

The first task of the governments would be to reach agreement on the few but important questions on which the experts had not been able to agree. As the next step the governments would have to grant each other such mutual concessions as would be necessary to pave the way for the enactment of a proposal by the individual Nordic parliaments. In other words: what concessions would Denmark, and especially Sweden, be ready to make in order to overcome the misgivings felt by Norwegian industrialists and the Norwegian non-Socialist parties about a customs union?

Even if the Nordic Council referred the question of economic co-operation to the governments by a

unanimous vote, this did not mean that the Council had committed itself on either economic co-operation in general or on a Nordic customs union in particular. "None of the Nordic governments have committed themselves in the matter of economic co-operation", said the Swedish Prime Minister. The Chairman of the Danish delegation expressed the same view in similar words which were wholeheartedly endorsed by the Norwegian opponents of a customs union: "Our hands are not tied; every avenue is open." Although this point was thus made abundantly clear, the fact that the Council unanimously called upon the governments to prepare the final proposal for Nordic co-operation was felt to mark a definite step forward in the direction of intimate economic co-operation among the Nordic states.

Incidentally, the Swedish Government and the elected members of the Swedish delegation were ready, already at this juncture, to take the final political decisions. They felt convinced that the Nordic countries could only make their position stronger by mustering all their combined resources in the negotiations for the coming economic co-operation in Europe. But neither Denmark nor Norway was ready to take a final decision at this stage.

ICELANDIC AND FINNISH ATTITUDES

In the course of the discussions the spokesmen for Iceland and Finland took the opportunity to make their attitudes clear as far as the Nordic customs union was concerned. Unlike Finland, Iceland had not taken any part in the discussions conducted at the expert level. The Icelandic representative explained that the experts had only very recently proposed to abolish the tariffs and import restrictions on fish and fish products which account for more than 95 per cent of Iceland's foreign trade. Even if fish were incorporated in a Nordic customs

union, it would be very doubtful if Iceland could join such a union. The chance for Iceland to sell more Icelandic products, especially fish, to the other Nordic countries would be so small in any case that they could hardly offset the increased imports into Iceland of manufactures from the other members of a Nordic customs union and this would jeopardize the existence of the weak Icelandic manufacturing industries. An entirely different situation would exist if a European free-trade area were established abolishing the import restrictions on Icelandic fish and fish products; in such case Iceland would be in a much better position to join a Nordic customs union.

The spokesman of Finland's Government said that while Finland took a basically favourable view of a Nordic market and while the Finnish people appreciated how vitally important Nordic co-operation is to Finland, his country would have particularly serious difficulties to overcome before its economy could be geared to a common Nordic market. The Finnish speakers also stressed their country's great interest in maintaining and expanding trade with the Soviet Union. If the Nordic Council could help to promote trade between the Nordic countries and the states of Eastern Europe, this would be entirely in line with Finland's endeavours. It was stressed, especially by the Swedish delegation, that the establishment of a Nordic market would not in any way impair expansion of trade with the countries of Eastern Europe.

TRADE WITH THE SOVIET UNION AND PEOPLE'S DEMOCRACIES

The economic relations of the Nordic countries with the Soviet Union and the people's democracies was the subject of a special Council recommendation which stressed the signal importance of foreign trade to all the Nordic countries. It would therefore be natural for them

to develop foreign trade with all nations, including the Soviet Union and the people's democracies, as much as possible. On the other hand, the Council pointed out, trade with these countries was conducted on a bilateral basis; it would therefore be natural for the Nordic countries individually to study the possibilities of expanding trade with those countries. Hence, the recommendation called upon the governments of the Council's member states to initiate studies of such possibilities.

THE NORDIC COMMON MARKET AT GOVERNMENT LEVEL

The governments of Denmark, Finland, Norway and Sweden immediately complied with the Council's recommendation that negotiations be conducted regarding a definite proposal for a plan for Scandinavian economic co-operation. In Oslo on 15 November 1958—the same day as that on which the Council had concluded its sixth session—prominent members of the four governments gave instructions to the Nordic Economic Co-operation Committee and their experts.

After the necessary preparations had been made, a meeting of the Prime Ministers was held in Oslo on 24-25 January 1959. The heads of governments were accompanied by their foreign ministers and those ministers who are especially concerned with economic matters.

At this meeting Norway and Finland made known their desire that the common market be carried out at a slower pace than suggested by the experts and that, in certain fields which are particularly susceptible in these two countries, the Nordic Common Market introduce higher tariff rates for foreign goods than originally proposed. It was furthermore decided that agricultural products and processed food products should be included in the plan as

an important element in Scandinavian economic co-operation. The Ministers of Fisheries were asked to find a solution for the still unsettled questions in the proposal for fish and fish products. It was agreed to give serious consideration to the Norwegian insistence on the necessity of intervention in any cases of harmful monopolistic activity which might develop within the Nordic common market. Finally, at this meeting the ministers were informed that the central banks of the four countries, in compliance with a proposal of the Nordic Economic Co-operation Committee, had declared their readiness to negotiate an agreement regarding reciprocal granting of short-term credits.

During the Spring of 1959 these problems were energetically examined by the experts and the Ministers of Economic Co-operation, and at the moment (May 1959) there are fair prospects of a new meeting of the Prime Ministers during the coming summer at which the fate of Nordic economic co-operation will be finally decided.

CHAPTER XVII

CO-OPERATION IN FOREIGN POLICY

There is a certain amount of co-operation in foreign policy among the Nordic countries. The results achieved in this field are not as great as in other fields, and in some respects the scope of such co-operation is even less than it was during the inter-war period. At that time all the five countries pursued a common policy of neutrality and none of them had any special ties with non-Nordic states. In 1948, however, Finland concluded a treaty of friendship, co-operation and mutual assistance with the Soviet Union; in the following year Denmark, Iceland and Norway joined the North Atlantic Treaty Organization.

During the first decade of the post-war period Finland did not find it compatible with its interests to resume that co-operation in foreign policy which was interrupted by the Winter War. It was not until Finland had become a member of the Nordic Council and of the United Nations that the Finnish foreign minister again, from April 1956, took part in the regular meetings of Nordic foreign ministers (see p. 39).

In the early post-war years Denmark, Iceland, Norway and Sweden, who had all joined the United Nations, endeavoured to carry on the same neutral policy which they had pursued during the inter-war years in their relations towards the rival blocs of great powers. When the tension between East and West increased, the Nordic countries stressed their resolve to stay outside all military alliances and their desire to assist in any efforts that

would lessen this tension. But marked differences soon became noticeable in the general attitudes of the individual Nordic countries towards international problems. These differences were due mainly to their dissimilar historical backgrounds.

Norway's close relations with the Anglo-Saxon countries during the Second World War had already paved the way for a very positive attitude towards intimate political co-operation between Norway and the Western powers. The Swedish population and the Swedish parliament, on the other hand, were strongly influenced by the historical fact that Sweden had been able to keep out of war for 135 years. Denmark, which was divided between a pro-Western and a neutral policy, attempted to reconcile the opposing views of Norway and Sweden.

After February 1948, when the Communists came into power in Czechoslovakia and the tension between East and West was mounting rapidly, there were widespread feelings in the Nordic countries that their independence might be in jeopardy. In this situation, differing views of their security problems caused the Nordic countries to follow divergent roads in one essential aspect of foreign policy. This frustrated Sweden's attempt to form a Nordic defensive alliance outside the big power groupings. Finland concluded its treaty with the Soviet Union in 1948 (see p. 38—39). This is the first international document which specifically recognizes the Finnish aim of staying outside great-power conflicts. Denmark, Iceland and Norway joined the Atlantic Pact in 1949, while Sweden maintained its clear and unambiguous neutral policy, based on a strong defence (see p. 38).

But even if the Nordic countries thus take different views on international politics, this does not in any way prevent them from co-operating intimately in matters of foreign policy. This co-operation, which takes place in a spirit of mutual confidence, is pursued mainly through regular sessions where the foreign ministers of all the five

countries meet to consider specific problems of foreign policy, not least in international organizations, especially in the United Nations, but also in UNESCO, FAO, OEEC, GATT, etc. In all these international organizations and agencies the Scandinavian delegations maintain very close liaison with each other and are generally in agreement. If only one Nordic country is elected to the administration or to a committee of an organization, the delegate from that country will often speak on behalf of the whole of Scandinavia.

Outside Scandinavia people often wonder how the Scandinavian countries, with their different attitudes towards the military blocs of the world, can show such a degree of unanimity in discussing and forming foreign policy. The explanation must be sought largely in the co-operation that unites the Nordic peoples in so many other fields. But another factor of no less importance is that it is only in approach and not in objectives that the Nordic countries hold different views on foreign policy. Their fundamental attitude to the great problems in international politics is identical. They have one overriding interest and one goal: to preserve peace. This is a traditional policy for the Nordic countries, but their experience since 1939 has made it a matter of life and death for them. All the five countries are small and weak states, situated in an area which, in the event of a major conflict, is most likely to become a theatre of war. They must therefore contribute as much as they can to the security of the world and to the relaxation of international tensions. In the present constellation of powers each of the Nordic countries has, consequently, taken that position it finds best for its own safety, for the cause of peace and for the interests of the other Nordic peoples. And the resolve to work for peace and democratic ideals is identical in all five states.

In many situations the Scandinavian states already acted as one group in the old League of Nations. They

do so also in the United Nations today, though perhaps to a slightly less marked degree because of the associations some of them have with the great powers. Even so, a specifically Scandinavian attitude can be seen in their approach to many international problems. They are all small countries in population and weak militarily, and they lay no claims to territories of other states; they cannot, and they do not want to, engage in power politics; they have no colonies and no incriminating history of colonial policy; they are inclined, if anything, to take a clear anti-colonial stand. With this background they occasionally hold independent views, at variance even with the great Western powers with whose general ideals they feel most closely associated.

In NATO, too, the views of the Scandinavian members do not always coincide with those of the other members and they do not hesitate to say so.

All of these factors have enabled the Scandinavian countries to preserve their pre-war reputation for a certain objectivity and impartiality on many international issues, although some of them are parties to alliances of Great Powers. This independent appraisal, which is visible especially in African and Asian problems, also explains why the United Nations elected Scandinavian citizens to become their first two Secretaries General. (see picture opposite p. 144).

The relative impartiality of the Nordic countries also results in their citizens being assigned to watch over law and order in "inflammable" regions, such as the Suez area, to which neutral Scandinavian observers were sent in 1956. In this task, incidentally, the Nordic forces established close collaboration within the United Nations Expeditionary Force (UNEF), and this has given rise to regular negotiations between the defence ministers of Denmark, Norway and Sweden (see picture opposite p. 144).

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